BASE PROSPECTUS

UNICREDIT S.p.A.

(incorporated with limited liability as a *Società per Azioni* in the Republic of Italy under registered number 00348170101)

and

UNICREDIT BANK IRELAND p.l.c.

(incorporated with limited liability in Ireland under registered number 240551)

and

UNICREDIT INTERNATIONAL BANK (LUXEMBOURG) S.A.

(incorporated as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B.103.341)

unconditionally and irrevocably guaranteed by

UNICREDIT S.p.A.

in the case of Notes issued by UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A.

€60,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

Under the €60,000,000,000 Euro Medium Term Note Programme (the **Programme**) described in this document (the **Base Prospectus**), UniCredit S.p.A. (**UniCredit** or the **Parent**), UniCredit Bank Ireland p.l.c. (**UniCredit Ireland**) and UniCredit International Bank (Luxembourg) S.A. (**UniCredit International Luxembourg**) (each an **Issuer** and together the **Issuers**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). The payment of all amounts due in respect of Notes issued by UniCredit Ireland and by UniCredit International Luxembourg (the **Guaranteed Notes**) will be unconditionally and irrevocably guaranteed by UniCredit (in such capacity, the **Guarantor**).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €60,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Applications have been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the laws of Luxembourg, for the approval of this document as three base prospectuses in accordance with Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) and Article 8.4 of the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the **Prospectus**

Act 2005). The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuers in accordance with Article 7.7 of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market (as contemplated by Directive 2004/39/EC) and to be listed on the Official List of the Luxembourg Stock Exchange. Application may also be made for notification to be given to competent authorities in other Member States of the European Economic Area in order to permit Notes issued under the Programme to be offered to the public and admitted to trading on regulated markets in such other Member States in accordance with the procedures under Article 18 of the Prospectus Directive.

References in this Base Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuers, the Guarantor and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

As more fully set out in "*Terms and Conditions of the Notes – Taxation*", in the case of payments by UniCredit as Issuer or (in the case of Guaranteed Notes) as Guarantor, additional amounts will not be payable to holders of the Notes or of the interest coupons appertaining to the Notes (the **Coupons**) with respect to any withholding or deduction pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (as amended or supplemented) and related regulations of implementation which have been or may subsequently be enacted (**Decree 239**). In addition, certain other (more customary) exceptions to the obligation of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor to pay additional amounts to holders of the Notes with respect to the imposition of withholding or deduction from payments relating to the Notes also apply, also as more fully set out in "*Terms and Conditions of the Notes – Taxation*".

Except with respect to the information set out in this Base Prospectus under the heading "*Book Entry Clearance Systems*", each of UniCredit and (insofar as the contents of this Base Prospectus relate to it) UniCredit Ireland and UniCredit International Luxembourg, having made all reasonable enquiries, confirms that this Base Prospectus contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading. UniCredit, UniCredit Ireland and UniCredit International Luxembourg accept responsibility accordingly.

The information relating to each of the Depository Trust Company (**DTC**), Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) has been accurately

reproduced from information published by each of DTC, Euroclear and Clearstream, Luxembourg respectively. So far as each of UniCredit, UniCredit Ireland and UniCredit International Luxembourg is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information misleading.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), and whether such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation, will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes). Please also refer to "*Credit ratings assigned to the Issuers, the Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes*" in the "*Risk Factors*" section of this Base Prospectus.

Arranger
UBS INVESTMENT BANK

Co-Arranger
UNICREDIT BANK

Dealers

Barclays
BofA Merrill Lynch
Credit Suisse
Goldman Sachs International
Morgan Stanley
Société Générale Corporate & Investment Banking
BNP PARIBAS
Crédit Agricole CIB
Deutsche Bank
J.P. Morgan
The Royal Bank of Scotland
UBS Investment Bank

UniCredit Bank

The date of this Base Prospectus is 5 July 2013.

IMPORTANT INFORMATION

This document constitutes three base prospectuses in respect of all Notes other than Exempt Notes issued under the Programme: (a) the base prospectus for UniCredit in respect of non-equity securities within the meaning of Article 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended (Non-Equity Securities); (b) the base prospectus for UniCredit Ireland in respect of Non-Equity Securities; and (c) the base prospectus for UniCredit International Luxembourg in respect of Non-Equity Securities (together, the *Prospectus*).

The Issuers and the Guarantor (the *Responsible Persons*) accept responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Responsible Persons, each having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

No representation, warranty or undertaking, express or implied, is made by any of the Dealers or any of their respective affiliates or the Trustee and no responsibility or liability is accepted by any of the Dealers or by any of their respective affiliates or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or of any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer or any of their respective affiliates or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme.

This Base Prospectus contains industry and customer-related data as well as calculations taken from industry reports, market research reports, publicly available information and commercial publications. It is hereby confirmed that (a) to the extent that information reproduced herein derives from a third party, such information has been accurately reproduced and (b) insofar as the Issuers are aware and are able to ascertain from information derived from a third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

Commercial publications generally state that the information they contain originates from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed, and that the calculations contained therein are based on a series of assumptions. External data have not been independently verified by the Issuers.

No person is or has been authorised by the Issuers, the Guarantor or the Trustee 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 or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, the Dealers or the Trustee.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or with any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuers, the Guarantor, any of the Dealers or the Trustee that any recipient of this Base Prospectus or of any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers and the Guarantor is correct at any time subsequent to the date hereof 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 Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF NOTES

Restrictions on Non-exempt offers of Notes in Relevant Member States

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a Non-exempt Offer. This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Notes. However, any person making or intending to make a Non-exempt Offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) may only do so if this Base Prospectus 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) and published in accordance with the Prospectus Directive, provided that the Issuers have consented to the use of this Base Prospectus in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" and the conditions specified in or attached to that consent are complied with by the person making the Non-exempt Offer of such Notes.

Save as provided above, none of the Issuers, the Guarantor and any Dealer have authorised, nor do they authorise, the making of any Non-exempt Offer of Notes in circumstances in which an obligation arises for the Issuers or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)

In the context of a Non-exempt Offer of such Notes, the Issuers and the Guarantor accept responsibility, in the jurisdictions to which the consent to use the Base Prospectus extends, for the content of this Base Prospectus under Article 6 of the Prospectus Directive in relation to any person (an **Investor**) who acquires any Notes in a Non-exempt Offer made by any person to whom the relevant Issuer has given consent to the use of this Base Prospectus (an **Authorised Offeror**) in that connection, provided that the conditions attached to that consent are complied with by the Authorised Offeror. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuers, the Guarantor or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuers or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Save as provided below, none of the Issuers, the Guarantor and any Dealer has authorised the making of any Non-exempt Offer by any offeror and the Issuers have not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Notes. Any Non-exempt Offer made without the consent of the relevant Issuer is unauthorised and none of the relevant Issuer, and, if the Notes are Guaranteed Notes, the Guarantor and each and any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive in the context of the Non-Exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

Consent

In connection with each Tranche of Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

(a) the relevant Issuer and, if the Notes are Guaranteed Notes, the Guarantor, each consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Notes by the relevant Dealer and by:

(i) any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms; and

(ii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuers' website (*www.unicreditgroup.eu*) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer;

(b) if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the relevant Issuer and, if the Notes are Guaranteed Notes, the Guarantor, each hereby offer to grant their consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Notes by any financial intermediary which satisfies the following conditions:

(i) it is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC); and

(ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information) (the **Acceptance Statement**):

"*We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the **Notes**) described in the Final Terms dated [insert date] (the **Final Terms**) published by [UniCredit S.p.A./UniCredit Bank Ireland p.l.c./UniCredit International Bank (Luxembourg) S.A.] (the **Issuer**)[and unconditionally and irrevocably guaranteed by UniCredit S.p.A. (the **Guarantor**)]. We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly.*"

The consent referred to above relates to Non-exempt offers occurring within 12 months from the date of this Base Prospectus.

The **Authorised Offeror Terms** are that the relevant financial intermediary:

(A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuers, the Guarantor and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:

(I) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor, and will immediately inform the relevant Issuer, and if the Notes are Guaranteed Notes, the Guarantor, and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(II) comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer;

(III) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;

(IV) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;

(V) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit

any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(VI) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer, the relevant Issuer and, if the Notes are Guaranteed Notes, the Guarantor or directly to the appropriate authorities with jurisdiction over the relevant Issuers, if the Notes are Guaranteed Notes, the Guarantor and/or the relevant Dealer in order to enable the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and/or the relevant Dealer;

(VII) ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

(VIII) co-operate with the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph ((VI)) above) upon written request from the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer:

(i) in connection with any request or investigation by any regulator in relation to the Notes, the relevant Issuer, the if the Notes are Guaranteed Notes, Guarantor or the relevant Dealer; and/or

(ii) in connection with any complaints received by the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and/or the relevant Dealer relating to the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or

(iii) which the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

(IX) during the primary distribution period of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;

(X) either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

(XI) ensure that it does not, directly or indirectly, cause the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer to breach any Rule or subject the relevant Issuer, if the Notes are Guaranteed Notes, Guarantor or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(XII) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Non-exempt Offer as specified in the applicable Final Terms;

(XIII) make available to each potential Investor in the Notes the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus; and

(XIV) if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the relevant Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the relevant Issuer, that such financial intermediary is solely responsible for such communication and that none of the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer (as applicable), use the legal or publicity names of the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the relevant Issuer as issuer of the relevant Notes and the Guarantor as the guarantor of the relevant Notes on the basis set out in the Base Prospectus;

(B) agrees and undertakes to indemnify each of the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor or the relevant Dealer; and

(C) agrees and accepts that:

(I) the contract between the relevant Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the relevant Issuer's offer to use the Base

Prospectus with its consent in connection with the relevant Exempt Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;

(II) subject to (IV) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the relevant Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;

(III) for the purposes of (C)(II) and (IV), the relevant Issuer and the financial intermediary waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;

(IV) this paragraph (IV) is for the benefit of the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and each relevant Dealer. To the extent allowed by law, the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and

(V) the relevant Issuer, if the Notes are Guaranteed Notes, the Guarantor and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Any financial intermediary who is an Authorised Offeror falling within (b) above who meets all of the conditions set out in (b) and the other conditions stated in *"Common Conditions to Consent"* below and who wishes to use this Base Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement (duly completed) specified at paragraph (b)(ii) above.

Common Conditions to Consent

The conditions to the relevant Issuer's, and if the Notes are Guaranteed Notes, the Guarantor's consent are (in addition to the conditions described in paragraph (b) above if Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

(i) is only valid during the Offer Period specified in the applicable Final Terms;

(ii) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in the Republic of Italy, Ireland, Luxembourg, the Federal Republic of Germany and Austria as specified in the applicable Final Terms; and

(iii) the consent is subject to any other conditions set out in Part B of the applicable Final Terms.

Each Tranche of Notes may only be offered to Investors as part of a Non-exempt Offer in each Relevant Member States specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN

ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER AND THE GUARANTOR (IF THE NOTES ARE GUARANTEED NOTES) WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER, THE GUARANTOR (IF THE NOTES ARE GUARANTEED NOTES) AND ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuers, the Guarantor, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, Japan, Hong Kong and the People's Republic of China and the European Economic Area (including the United Kingdom, the Republic of Italy, Ireland, France, the Federal Republic of Germany, Luxembourg and Austria). See "*Subscription and Sale and Transfer and Selling Restrictions*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or to review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the *Securities Act*), and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale and Transfer and Selling Restrictions*"). See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*".

This Base Prospectus has not been submitted for clearance to the *Autorité des Marchés financiers* in France.

U.S. INFORMATION

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

This Base Prospectus may be distributed on a confidential basis in the United States to a limited number of "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) or Institutional Accredited Investors (each as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act (**Rule 144A**) or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Purchasers of Definitive IAI Registered Notes will be required to execute and deliver an IAI Investment Letter (as defined under "*Terms and Conditions of the Notes*"). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or of any Notes issued in registered form in exchange or substitution therefor (together, the **Legended Notes**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH

THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available Information

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuers and the Guarantor have undertaken in a deed poll dated 5 July 2013 (the **Deed Poll**) to furnish, upon the request of a holder of such Notes or of any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144A(a)(3) of the Securities Act and the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Service of Process and Enforcement of Civil Liabilities

The Issuers and the Guarantor are corporations organised under the laws of Ireland (in the case of UniCredit Ireland), Luxembourg (in the case of UniCredit International Luxembourg) and the Republic of Italy (in the case of UniCredit). All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of each Issuer and the Guarantor and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Ireland (in relation to UniCredit Ireland), Luxembourg (in relation to UniCredit International Luxembourg) or the Republic of Italy (in relation to UniCredit) upon the relevant Issuer or the Guarantor or such persons, or to enforce judgments against them obtained in courts outside Ireland (in relation to UniCredit Ireland), Luxembourg (in relation to UniCredit International Luxembourg) or the Republic of Italy (in relation to UniCredit) predicated upon civil liabilities of such Issuer or the Guarantor or of such directors and officers under laws other than Irish law (in relation to UniCredit Ireland), Luxembourg law (in relation to UniCredit International Luxembourg) or Italian law (in relation to UniCredit), including any judgment predicated upon United States federal securities laws.

Presentation of information

Investors should consult the Issuers should they require a copy of the ISDA 2006 Definitions, the ISDA 2003 Credit Derivatives Definitions or the ISDA 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published on 14 July 2009, as applicable.

In this Base Prospectus, all references to:

- **U.S. dollars**, **U.S.$** and **$** refer to United States dollars;
- to **Sterling**, **GBP** and **£** refer to pounds sterling; and
- **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- **Renminbi**, **RMB** and **CNY** refers to the currency of the People's Republic of China. All references to the **PRC** are to the People's Republic of China excluding the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), the Macau Special Administrative Region of the People's Republic of China and Taiwan.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, will be carried out in accordance with all applicable laws and regulations and may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Summary of the Programme

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 the Notes, the Issuers and the Guarantor. 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 a 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 mention of "not applicable".

Section A – Introduction and warnings

Element		
A.1	**Warnings**	• This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms. • Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms. • Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated. • Civil liability will attach only to the persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	**Consent**	Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a Non-exempt Offer. [Not Applicable – the Notes are not being offered to the public as a part of a Non-exempt Offer] [*Consent*: Subject to the conditions set out below, [each of] the Issuer [and the Guarantor] consent[s] to the use of this Base Prospectus in connection with a Non-exempt Offer of Notes by the Managers[, [*names of specific financial intermediaries listed in final terms,*] [and] [each financial intermediary whose name is published on the Issuer's website (*www.unicreditgroup.eu*) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer] [and any financial intermediary which is authorised to make such offers under [the Financial Services and Markets Act 2000, as amended, or other]applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and

Element		
		publishes on its website the following statement (with the information in square brackets being completed with the relevant information): "*We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the **Notes**) described in the Final Terms dated [insert date] (the **Final Terms**) published by [ ] (the **Issuer**). We hereby accept the offer by [each of] the Issuer [and the Guarantor] of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly.*" (each an **Authorised Offeror**). *Offer period*: The Issuer's consent referred to above is given for Non-exempt Offers of Notes during [*offer period for the issue to be specified here*] (the **Offer Period**). *Conditions to consent*: The conditions to the Issuer's [and the Guarantor's] consent (in addition to the conditions referred to above) are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in [*specify each Relevant Member State in which the particular Tranche of Notes can be offered*] and (c) [*specify any other conditions applicable to the Non-exempt Offer of the particular Tranche, as set out in the Final Terms*]. **AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.**

Section B – Issuers and Guarantor

Element	Title	
[B.1	**Legal and commercial name of the Issuer**	UniCredit S.p.A. (**UniCredit**)
B.2	**Domicile/ legal form/ legislation/ country of incorporation**	UniCredit is a *Società per Azioni* incorporated under the laws of the Republic of Italy and domiciled in the Republic of Italy with registered office at Via A. Specchi 16, 00186, Rome, Italy.

Element	Title	
B.4b	**Trend information**	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.
B.5	**Description of the Group**	The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the **Group** or the **UniCredit Group**) is a leading financial services group with a well established network in 22 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European (**CEE**) countries. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*).
B.9	**Profit forecast or estimate**	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.
B.10	**Audit report qualifications**	Not Applicable - No qualifications are contained in any audit or review report included in the Base Prospectus.

B.12

Selected historical key financial information:

Income Statement

The table below sets out summary information extracted from the audited consolidated annual financial statements as at and for each of the financial years ended 31 December 2012 and 31 December 2011 for the UniCredit Group:

€ millions	**Year ended 31 December 2012**	**Year ended 31 December 2011**
Operating income	25,049	25,013
of which:		
- net interest	14,285	15,252
- dividends and other income from equity investments	397	380
- net fees and commissions	7,793	8,048
Operating costs	(14,979)	(15,431)
Operating profit	10,070	9,582
Profit (loss) before tax	317	2,195
Net profit (loss) attributable to the Group	865	(9,206)

Element	Title		
	The table below sets out summary information extracted from the consolidated interim report as at 31 March 2013 and 31 March 2012 for the UniCredit Group:		
	€ millions	**31 March 2013**	**31 March 2012**
	Operating income	6,080	7,110
	of which:		
	- net interest	3,314	3,744
	- dividends and other income from equity investments	46	54
	- net fees and commissions	2,000	1,985
	Operating costs (loss)	(3,760)	(3,831)
	Operating profit	2,320	3,279
	Profit before tax	997	1,876
	Net profit attributable to the Group	449	914
	Statement of Financial Position The table below sets out summary information extracted from UniCredit Group's audited statement of financial positions as at 31 December 2012 and 31 December 2011:		
	€ millions	**Year ended 31 December 2012**	**Year ended 31 December 2011**
	Total assets	926,827	913,567
	Financial assets held for trading	107,119	120,374
	Loans and receivables with customers	547,144	555,946
	of which:		
	- impaired loans	44,058	38,806
	Financial liabilities held for trading	99,123	111,386
	Deposits from customers and debt securities in issue	579,965	557,448
	of which:		
	- deposits from customers	409,514	395,288

Element	Title		
	- securities in issue	170,451	162,160
	Shareholders' Equity	62,784	51,479
	The table below sets out summary information extracted from the consolidated interim report as at 31 March 2013 and audited statement of financial positions as at 31 December 2012 for the UniCredit Group:		
		31 March 2013	**31 December 2012**
	Total assets	912,921	926,838
	Financial assets held for trading	98,593	107,119
	Loans and receivables with customers of which: - impaired loans	537,462 45,535	547,144 44,058
	Financial liabilities held for trading	92,361	99,123
	Deposits from customers and debt securities in issue of which:	569,498	579,965
	- deposits from customers	407,769	409,514
	- securities in issue	161,729	170,451
	Shareholders' Equity	62,382	61,579
	The figures in these tables refer to reclassified balance sheet Please note that on 1 January 2013 the amendments to IAS 19 ("IAS 19R") came into force. The first time application on the accounting standard required the restatement of previous periods beginning on or after 1 January 2012.		
	Statements of no significant or material adverse change There has been no significant change in the financial or trading position of UniCredit and the Group since 31 March 2013 and there has been no material adverse change in the prospects of UniCredit and the Group since 31 December 2012.		
B.13	**Events impacting the Issuer's solvency**	Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	
B.14	**Dependence upon other group entities**	UniCredit is the parent company of the UniCredit Group and carries out, in addition to banking activities, organic policy, governance and control functions vis-à-vis its subsidiary banking, financial and	

Element	Title	
		instrumental companies. Please also see Element B.5 above
B.15	**Principal activities**	UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to the provisions of Article 61 of Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**), issues, when exercising these management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of requirements laid down by the Bank of Italy in the interest of the banking group's stability.
B.16	**Controlling shareholders**	Not Applicable - No individual or entity controls the Issuer within the meaning provided for in Article 93 of the Legislative Decree No. 58 of 24 February 1998, as amended.
B.17	**Credit ratings**	UniCredit S.p.A. has been rated: **Description** / **Standard & Poor's** / **Moody's** / **Fitch ratings** Short Term Counterparty Credit Rating: A-2 / P-2 / F2 Long Term Counterparty Credit Rating: BBB+ / BBB+ / BBB+ Outlook: negative / negative / negative Standalone Rating: bbb+ / C- / bbb+ [The Notes [have been/are expected to be] rated [*specify rating(s) of Tranche being issued*] by [*specify rating agent(s)*].] [A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.] [No ratings have been assigned to the Notes at the request of or with the co-operation of the Issuer in the rating process.]]

Element	Title	
[B.1	**Legal and commercial name of the Issuer**	UniCredit Bank Ireland p.l.c. (**UniCredit Ireland**)
B.2	**Domicile/ legal form/ legislation/ country of incorporation**	UniCredit Ireland is a limited liability company incorporated under the laws of Ireland and domiciled in Ireland with registered office at La Touche House, International Financial Services Centre, Dublin 1, Ireland.
B.4b	**Trend information**	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.

<table>
<tr><th>Element</th><th>Title</th><th colspan="2"></th></tr>
<tr><td>B.5</td><td>Description of the Group</td><td colspan="2">The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the Group or the UniCredit Group) is a leading financial services group with a well established network in 22 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European (CEE) countries. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (bancassurance).</td></tr>
<tr><td>B.9</td><td>Profit forecast or estimate</td><td colspan="2">Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.</td></tr>
<tr><td>B.10</td><td>Audit report qualifications</td><td colspan="2">Not Applicable - No qualifications are contained in any audit or review report included in the Base Prospectus.</td></tr>
<tr><td>B.12</td><td colspan="3">Selected historical key financial information:

Income Statement

The table below sets out summary information extracted from the audited consolidated annual financial statements as at and for each of the financial years ended 31 December 2012 and 31 December 2011 for UniCredit Ireland:</td></tr>
<tr><td></td><td>UniCredit Ireland</td><td colspan="2">As at</td></tr>
<tr><td></td><td>€ millions</td><td>Year ended
31 December 2012</td><td>Year ended
31 December 2011</td></tr>
<tr><td></td><td>Operating income</td><td>105</td><td>159</td></tr>
<tr><td></td><td>of which:</td><td></td><td></td></tr>
<tr><td></td><td>- net interest</td><td>102</td><td>153</td></tr>
<tr><td></td><td>- dividends and other income from equity investments</td><td>-</td><td>-</td></tr>
<tr><td></td><td>- net fees and commissions</td><td>(14)</td><td>(2)</td></tr>
<tr><td></td><td>Operating costs</td><td>(7)</td><td>(6)</td></tr>
<tr><td></td><td>Operating profit</td><td>98</td><td>152</td></tr>
<tr><td></td><td>Profit (loss) before tax</td><td>95</td><td>145</td></tr>
<tr><td></td><td>Net profit (loss) attributable to the Group</td><td>82</td><td>141</td></tr>
</table>

Element	Title		
	Statement of Financial Position The table below sets out summary information extracted from for UniCredit Ireland audited statement of financial position as at 31 December 2012 and 31 December 2011:		
	€ millions	**Year ended 31 December 2012**	**Year ended 31 December 2011**
	Total assets	27,154	22,221
	Financial assets held for trading	35	94
	Loans and receivables with customers	2,002	2,462
	of which:		
	- impaired loans	-	-
	Financial liabilities held for trading	1	52
	Deposits from customers and debt securities in issue	6,389	5,148
	of which:		
	- deposits from customers	1,646	1,475
	- securities in issue	4,743	3,673
	Shareholders' Equity	1,765	1,106
	Statements of no significant or material adverse change There has been no significant change in the financial or trading position of UniCredit Ireland since 31 December 2012 and there has been no material adverse change in the prospects of UniCredit Ireland since 31 December 2012.		
B.13	**Events impacting the Issuer's solvency**	Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	
B.14	**Dependence upon other group entities**	UniCredit Ireland is an autonomous operating unit within the wider Group and as a fully owned subsidiary is subject to the coordination and support of the parent entity. This support extends to UniCredit Ireland's financial dependence as evidenced by UniCredit's injection of €2.2 billion in share capital and capital contributions to facilitate its ongoing trading activities. Please also see Element B.5 above	
B.15	**Principal activities**	UniCredit Ireland is engaged in the business of banking and provision of financial services. Its main business areas include credit	

Element	Title	
		and structured finance (including investing in loans, bonds, securitisation and other forms of asset financing), treasury activities (money market, repurchase agreements or "repos", Euro Over Night Index Average (EONIA) and other interest rate swaps, foreign exchange and futures) and the issue of certificates of deposit and structured notes.
B.16	**Controlling shareholders**	UniCredit Ireland is a wholly owned subsidiary of UniCredit S.p.A.
B.17	**Credit ratings**	The Issuer is not rated. [The Notes [have been/are expected to be] rated [*specify rating(s) of Tranche being issued*] by [*specify rating agent(s)*].] [A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.] [No ratings have been assigned to the Notes at the request of or with the co-operation of the Issuer in the rating process.]]
Element	**Title**	
[B.1	**Legal and commercial name of the Issuer**	UniCredit International Bank (Luxembourg) S.A. (**UniCredit International Luxembourg**).
B.2	**Domicile/ legal form/ legislation/ country of incorporation**	UniCredit International Luxembourg is a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg and domiciled in Luxembourg with registered office at 8-10 rue Jean Monnet, L-2180 Luxembourg.
B.4b	**Trend information**	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.
B.5	**Description of the Group**	The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the **Group** or the **UniCredit Group**) is a leading financial services group with a well established network in 22 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European (**CEE**) countries. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*).
B.9	**Profit forecast or estimate**	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.
B.10	**Audit report qualifications**	Not Applicable - No qualifications are contained in any audit or review report included in the Base Prospectus.

Element	Title		
B.12	**Selected historical key financial information:** ***Income Statement*** The table below sets out summary information extracted from the audited consolidated annual financial statements as at and for each of the financial years ended 31 December 2012 and 31 December 2011 for UniCredit Luxembourg:		
	UniCredit Luxembourg	**As at**	
	€ millions	**Year ended 31 December 2012**	**Year ended 31 December 2011**
	Operating income of which:	13	13
	-net interest	12	13
	Operating costs	(5)	(5) Operating
	Profit	8	8
	Profit (loss) before tax	8	8
	Net profit (loss) attributable to the Group	6	6
	Statement of Financial Position The table below sets out summary information extracted from for UniCredit Luxembourg's audited statement of financial position as at 31 December 2012 and 31 December 2011:		
	€ millions	**Year ended 31 December 2012**	**Year ended 31 December 2011**
	Total assets	3,030	3,850
	Financial assets held for trading	1	-
	Loans and receivables with customers	105	99
	Financial liabilities held for trading	1	-
	Deposits from customers and debt securities in issue of which:	2,278	3,181
	- deposits from customers	303	436
	- securities in issue	1,974	2,745

Element	Title		
	Shareholders' Equity	244	214
	Statements of no significant or material adverse change There has been no significant change in the financial or trading position of UniCredit International Luxembourg since 31 December 2011 and there has been no material adverse change in the prospects of UniCredit International Luxembourg since 31 December 2012.		
B.13	**Events impacting the Issuer's solvency**	Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	
B.14	**Dependence upon other group entities**	UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit and owns a 100 per cent. interest in a subsidiary named UniCredit Luxembourg Finance S.A., whose principal object is the issue of securities in the US market under a USD 10 billion medium term note programme guaranteed by UniCredit S.p.A. Please also see Element B.5 above	
B.15	**Principal activities**	UniCredit International Luxembourg is engaged in the business of banking and the provision of financial services. Its main business areas include treasury activities (money market, repurchase agreements or "repos", interest rate swaps, foreign exchange), issue of certificates of deposit and structured notes, selective investments for its own account, treasury services for institutional and corporate counterparties, management of the remaining credit portfolio.	
B.16	**Controlling shareholders**	UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit.	
B.17	**Credit ratings**	The Issuer is not rated. [The Notes [have been/are expected to be] rated [*specify rating(s) of Tranche being issued*] by [*specify rating agent(s)*].] [A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.] [No ratings have been assigned to the Notes at the request of or with the co-operation of the Issuer in the rating process.]]	
[B.18	**Description of the Guarantee**	[The Notes issued by [UniCredit Ireland] [UniCredit International Luxembourg] will be unconditionally and irrevocably guaranteed by the Guarantor.] [[*To include in the case of Senior Notes:*]The obligations of the Guarantor under its guarantee will be direct, unconditional and unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.] [[*To include in the case of Subordinated Notes issued by UniCredit Ireland:*]The obligations of the Guarantor under its guarantee will	

Element	Title		
		constitute, direct, unsecured and subordinated obligations of the Guarantor.] [Not Applicable]]	
[B.19	**Information about the Guarantor**		
B.19 B.1	**Legal and commercial name of the Guarantor**	UniCredit S.p.A. (**UniCredit**)	
B.19 B.2	**Domicile/ legal form/ legislation/ country of incorporation**	The Guarantor is a *Società per Azioni* incorporated under the laws of the Republic of Italy and domiciled in the Republic of Italy with registered office at Via A. Specchi 16, 00186, Rome, Italy.	
B.19 B.4b	**Trend information**	Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor's prospects for its current financial year.	
B.19 B.5	**Description of the Group**	The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the **Group** or the **UniCredit Group**) is a leading financial services group with a well established network in 22 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European (**CEE**) countries. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*).	
B.19 B.9	**Profit forecast or estimate**	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.	
B.19 B.10	**Audit report qualifications**	Not Applicable - No qualifications are contained in any audit or review report included in the Base Prospectus.	
B.19 B.12	**Selected historical key financial information:** ***Income Statement*** The table below sets out summary information extracted from the audited consolidated annual financial statements as at and for each of the financial years ended 31 December 2012 and 31 December 2011 for the UniCredit Group:		
	€ millions	**Year ended 31 December 2012**	**Year ended 31 December 2011**
	Operating income	25,049	25,013
	of which:		
	- net interest	14,285	15,252

Element	Title		
	- dividends and other income from equity investments	397	380
	- net fees and commissions	7,793	8,048
	Operating costs	(14,979)	(15,431)
	Operating profit	10,070	9,582
	Profit (loss) before tax	317	2,195
	Net profit (loss) attributable to the Group	865	(9,206)
	The table below sets out summary information extracted from the consolidated interim report as at 31 March 2013 and 31 March 2012 for the UniCredit Group:		
	€ millions	**31 March 2013**	**31 March 2012**
	Operating income	6,080	7,110
	of which:		
	- net interest	3,314	3,744
	- dividends and other income from equity investments	46	54
	- net fees and commissions	2,000	1,985
	Operating costs (loss)	(3,760)	(3,831)
	Operating profit	2,320	3,279
	Profit before tax	997	1,876
	Net profit attributable to the Group	449	914
	Statement of Financial Position The table below sets out summary information extracted from UniCredit Group's audited statement of financial positions as at 31 December 2012 and 31 December 2011:		
	€ millions	**Year ended 31 December 2012**	**Year ended 31 December 2011**
	Total assets	926,827	913,567
	Financial assets held for trading	107,119	120,374
	Loans and receivables with customers	547,144	555,946
	of which:		

Element	Title		
	- impaired loans	44,058	38,806
	Financial liabilities held for trading	99,123	111,386
	Deposits from customers and debt securities in issue	579,965	557,448
	of which:		
	- deposits from customers	409,514	395,288
	- securities in issue	170,451	162,160
	Shareholders' Equity	62,784	51,479
	The table below sets out summary information extracted from the consolidated interim report as at 31 March 2013 and audited statement of financial positions as at 31 December 2012 for the UniCredit Group:		
		31 March 2013	**31 December 2012**
	Total assets	912,921	926,838
	Financial assets held for trading	98,593	107,119
	Loans and receivables with customers of which: - impaired loans	537,462 45,535	547,144 44,058
	Financial liabilities held for trading	92,361	99,123
	Deposits from customers and debt securities in issue	569,498	579,965
	of which:		
	- deposits from customers	407,769	409,514
	- securities in issue	161,729	170,451
	Shareholders' Equity	62,382	61,579
	The figures in these tables refer to reclassified balance sheet Please note that on 1 January 2013 the amendments to IAS 19 ("IAS 19R") came into force. The first time application on the accounting standard required the restatement of previous periods beginning on or after 1 January 2012.		

Element	Title	
	Statements of no significant or material adverse change There has been no significant change in the financial or trading position of UniCredit and the Group since 31 March 2013 and there has been no material adverse change in the prospects of UniCredit and the Group since 31 December 2012.	
B.19 B.13	**Events impacting the Guarantor's solvency**	Not Applicable - There are no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.
B.19 B.14	**Dependence upon other Group entities**	The Guarantor is the parent company of the UniCredit Group and carries out, in addition to banking activities, organic policy, governance and control functions vis-à-vis its subsidiary banking, financial and instrumental companies. Please also see Element B.19 B.5 above
B.19 B.15	**The Guarantor's Principal activities**	The Guarantor, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to the provisions of Article 61 of Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**), issues, when exercising these management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of requirements laid down by the Bank of Italy in the interest of the banking group's stability.
B.19 B.16	**Controlling shareholders**	Not Applicable - No individual or entity controls the Guarantor within the meaning provided for in Article 93 of the Legislative Decree No. 58 of 24 February 1998, as amended.
B.19 B.17	**Credit ratings**	UniCredit S.p.A. has been rated: **Description** / **Standard & Poor's** / **Moody's** / **Fitch ratings** Short Term Counterparty Credit Rating / A-2 / P-2 / F2 Long Term Counterparty Credit Rating / BBB+ / Baa2 / BBB+ Outlook / negative / negative / negative Standalone Rating / bbb+ / C- / bbb+]

Section C – Securities

Element	Title	
C.1	**Description of Notes/ISIN**	The Notes to be issued may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Inflation Linked Interest Notes or CMS Linked Interest Notes. The Notes are [●] per cent. [Fixed Rate/Floating Rate/Zero Coupon/Inflation Linked Interest Notes/CMS Linked Interest][●] Notes due [●] [unconditionally and irrevocably guaranteed by UniCredit S.p.A.] International Securities Identification Number (ISIN): [●] Common Code: [●] [CUSIP: [●]] [CINS: [●]]
C.2	**Currency**	Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue. The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/U.S. dollars (U.S.$)/Renminbi (CNY), which is the currency of the People's Republic of China/*Other* ([●])].
C.5	**Restrictions on transferability**	The Notes may not be transferred prior to the Issue Date. Selling restrictions apply to offers, sales or transfers of the Notes under the applicable laws in various jurisdictions. A purchaser of the Notes is required to make certain agreements and representations as a condition to purchasing the Notes.
C.8	**Rights attached to the Notes, including ranking and limitations on those rights**	Notes issued under the Programme will have terms and conditions relating to, among other matters: ***Governing law*** The rights of the investors in connection with the Notes and any non-contractual obligations will be governed by English law[, except for the right of the investors in connection with the status of the [Subordinated Notes issued by UniCredit] [Subordinated Guarantee (in case of Subordinated Notes issued by UniCredit Ireland)] and any non-contractual obligations arising out thereof which shall be governed by, and construed in accordance with, Italian law]. [The rights of the investors and any non-contractual obligations arising out of or in connection with the status of the Subordinated Notes issued by UniCredit Ireland shall be governed by, and construed in accordance with, the laws of Ireland.] ***Status[and Subordination]*** [*[Insert in the case of Senior Notes]*The Notes issued on a Senior basis constitute direct, unconditional, unsubordinated

Element	Title	
		and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.] *[Insert in the case of Subordinated Notes issued by UniCredit S.p.A.]* Early redemption may occur only at the option of UniCredit and with the prior approval of the Bank of Italy.] *[Insert in the case of Subordinated Notes issued by UniCredit Ireland]:* Notes having a stated maturity (which must be at least five years) may be redeemed on their Maturity Date or, if of indeterminate duration, may be redeemed where five years' notice of redemption has been given. Otherwise Subordinated Notes may only be redeemed with the Central Bank of Ireland's consent, which will only be given where the request is made at UniCredit Ireland's initiative and UniCredit Ireland's solvency is not in question.] This Series of the Notes is issued on a [Senior/ Subordinated] basis. ***Events of default*** *[Insert in the case of Senior Notes]* [The terms of the Senior Notes will contain, amongst others, the following events of default: • default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time; • non-performance or non-observance by the Issuers [or, in the case of Guaranteed Notes, the Guarantor] of any of its other obligations under the conditions of the Notes or the Trust Deed, in certain cases continuing for a specified period of time; • if either (i) any indebtedness for Borrowed Money in excess of €35,000,000 (or its equivalent in any other currency or currencies) of the Issuer [or (in the case of Guaranteed Notes) the Guarantor] shall become repayable prior to the due date for payment thereof by reason of default by the Issuer [or, as the case may be, the Guarantor] or shall not be repaid at maturity as extended by any applicable grace period therefor and, in either case, steps shall have been taken to obtain repayment, or (ii) any guarantee given by the Issuer [or (in the case of Guaranteed Notes) the Guarantor] of any indebtedness for Borrowed Money in excess of €35,000,000 (or its equivalent in any other currency or currencies) shall not be honoured when due and called; • events relating to the insolvency, winding up or cessation of business of the Issuers[, (in the case of

Element	Title	
		Guaranteed Notes) the Guarantor]; • certain final judgments for the payment of indebtedness remain unsatisfied for a specific period of time; and • (in the case of Guaranteed Notes) the Guarantee ceases to be in full force and effect. upon of the occurrence of the above, the Trustee, at its discretion, may, and if so requested in writing by the holders of at least one quarter in principal amount of the Notes then outstanding, or if so directed by an Extraordinary Resolution of the Noteholders, shall give notice to the Issuer [and, in the case of the Guaranteed Notes, the Guarantor] that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest.] *[Insert in the case of Subordinated Notes]* [The terms of the Subordinated Notes will contain, amongst others, the following events of default: *[Insert the case of Subordinated Notes issued by UniCredit]* • UniCredit becoming subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy; *[Insert the case of Subordinated Notes issued by UniCredit Ireland]* • events relating to the insolvency or winding up of UniCredit Ireland. upon of the occurrence of the above, the Trustee, at its discretion, may, and if so requested in writing by the holders of at least one quarter in principal amount of the Notes then outstanding, or if so directed by an Extraordinary Resolution of the Noteholders, shall give notice to the Issuer and, in the case of the Guaranteed Notes, the Guarantor that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest] ***Meetings*** The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. ***Taxation*** All payments in respect of Notes will be made without

Element	Title	
		deduction for or on account of withholding taxes imposed by (a) the Republic of Italy, in the case of Notes issued by UniCredit and Guaranteed Notes, (b) Ireland, in the case of Notes issued by UniCredit Ireland and (c) Luxembourg, in the case of Notes issued by UniCredit International Luxembourg. In the event that any such deduction is made, the Issuers or, as the case may be, the Guarantor will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted. Payments of any amount in respect of Notes, Receipts or Coupons will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or law implementing an intergovernmental approach thereto. ***Prescription*** The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the date on which such payment first becomes due.
C.9	**Interest/Redemption**	***Interest*** Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate or calculated by reference the relevant inflation Index. [Payments (in respect of principal and interest) in respect of Notes denominated in Renminbi will be made in Renminbi, except in the case where "RMB Currency Event" is specified in the Final Terms and if by reason of a RMB Currency Event, as determined by the relevant Issuer acting in good faith and in a commercially reasonable manner, the relevant Issuer is not able to pay any amount in respect of the Notes, the relevant Issuer's obligation to make payment in Renminbi shall be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate.] ***Interest Rate*** [[*Insert in the case of Fixed Rate Notes*:] The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●]% per annum. The yield in respect of the Notes is [●]%. The yield is calculated at the Issue Date on the basis of the relevant Issue Price

Element	Title	
		Interest will be paid [annually/semi-annually/quarterly] in arrear on [●] in each year. The first interest payment will be made on [●]] [[*Insert in the case of Floating Rate Notes*:][The Notes bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [●]-Euribor] [[●]-Libor] [*insert CMS rate*] [for the relevant interest period[s][.][i*n the case of a margin insert*:][, plus][, minus] the margin of [●]% per annum][.] [*In the case of a factor insert:*], multiplied with a factor of [*Insert factor*]] for the relevant interest period. Interest will be paid [annually/semi-annually/quarterly] in arrear on [●], and [●] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●]] [[*Insert in the case of Inflation Linked Interest Notes*:]The Notes bear interest [from their date of issue/from [●]]. The interest rate is dependent on the performance of the [HICP][GRCP2000] [FRCPxTOB][●] [for each interest period][.][[*In the case of a margin, insert:*][, plus][, minus] the margin of [*insert percentage*]% for the relevant interest period][.] [[*In the case of a factor insert*:], multiplied with a factor of [*insert factor*] for the relevant interest period. Interest will be paid [annually/semi-annually/quarterly] in arrear on [●], and [●] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●]] [*In the case of a minimum and/or maximum rate of interest, insert*:]The amount of interest payable on the Notes is subject to [*insert the minimum/maximum rate of interest*].] [The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].] ***Underlyings*** [Not Applicable. Interest on the Notes is not based on an underlying.] [*Insert in the case of CMS Linked Notes:*][*insert CMS Rate(s)*] [*Insert in the case of Zero Coupon Notes:*]Not Applicable.] [*Insert in the case of Inflation Linked Interest Notes:*]The value of the Notes may be affected by the [performance of [*insert the relevant inflation index*]. [The Rate of Interest payable from time to time in respect of Inflation Linked Interest Notes, for each interest period, shall be determined in accordance with the following formula: *Rate of Interest = [[Index Factor]*YoY Inflation] + Margin* **Index Factor** has the meaning given to it in the applicable Final Terms, provided that if Index Factor is specified as "Not

Element	Title	
		Applicable", the Index Factor shall be deemed to be equal to one; **Inflation Index** has the meaning given to it in the applicable Final Terms; **Inflation Index (t)** means the value of the Inflation Index for the Reference Month in the calendar year in which the relevant Specified Interest Payment Date (as specified in the Final Terms) falls; **Inflation Index (t-1)** means the value of the Inflation Index for the Reference Month in the calendar year preceding the calendar year in which the relevant Specified Interest Payment Date (as specified in the Final Terms) falls; **Margin** has the meaning given to it in the applicable Final Terms; **Reference Month** has the meaning given to it in the applicable Final Terms; and **YoY Inflation (t)** means in respect of the Specified Interest Payment Date (as specified in the Final Terms) falling in month (t), the value calculated in accordance with the following formula: $$\left[\frac{InflationIndex(t)}{InflationIndex(t-1)}-1\right]$$ ***Redemption*** The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes. [*Insert in the case of Inflation Linked Interest Notes:*] [Inflation Linked Interest Notes may be redeemed before their stated maturity at the option of the relevant Issuer, if the Index ceases to be published or any changes are made to it which, in the opinion of an Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Noteholders.] Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at par. The Notes may be redeemed early [for tax reasons] [or] [for regulatory reasons] [or][at the option of the Issuer] [or] [at the option of the Noteholders]] at [*specify the early redemption price and any maximum or minimum redemption amounts*].

Element	Title	
		Repayment Procedure [Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).] [Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.] [Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Payments of interest and principal in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register.] ***Representative of holders*** The Issuer has appointed Citicorp Trustee Company Limited (the Trustee) to act as trustee for the holders of Notes. The trustee may, without the consent of any holders and without regard to the interests of particular holders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of any holders that an event of default or potential event of default shall not be treated as such or (iii) the substitution of another company as principal debtor under the Notes in place of the Issuer.

Element	Title	
		Please also refer to Element C.8.
C.10	**Derivative component in the interest payments**	[Interest payments under the Floating Rate Notes depend on the development of the [*insert [●]-Euribor*] [*insert [●]-Libor*] [*insert CMS rate*] for the relevant interest period.] [Interest payments under the Inflation Linked Interest Notes are linked to the performance of the [HICP][GRCP2000][FRCPxTOB][●].] [Not applicable – There is no derivative component in the interest payments.] Please also refer to Element C.9.
C.11	**Listing and Admission to trading**	Notes issued under the Programme may be listed and admitted to trading on the Luxembourg Stock Exchange or such other stock exchange or regulated market specified below, or may be issued on an unlisted basis. [Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the [Luxembourg Stock Exchange.] [The Notes are not intended to be admitted to trading on any market.]

Section D – Risks

Element	Title	
D.2	**Key risks regarding the Issuers and the Guarantor**	In purchasing Notes, investors assume the risk that the Issuers and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuers and the Guarantor becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuers and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuers' and the Guarantor's control. The Issuers and the Guarantor have identified a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes. These factors include: • risks concerning liquidity which could affect the Group's ability to meet its financial obligations as they fall due; • the UniCredit Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions; • the European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition; • the Group has exposure to European sovereign debt; • financial regulators have requested that UniCredit Group companies reduce their credit exposure to other UniCredit Group entities, particularly their upstream exposure to UniCredit, which could have a material adverse effect on the way in which the UniCredit Group funds its operations and provides liquidity to members of the Group; • systemic risk could adversely affect the Group's business; • risks connected to an economic slowdown and volatility of the financial markets – credit risk; • 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; • the fair values of the Group's structured credit

Element	Title	
		products have been and may continue to be significantly reduced; • deteriorating asset valuations resulting from poor market conditions may adversely affect the Group's future earnings; • intense competition, especially in the Italian market, where the Group has a substantial part of its businesses, could have a material adverse effect on the Group's results of operations and financial condition; • non-traditional banking activities expose the Group to additional credit risks; • unidentified or unanticipated risks, by their nature, might not be captured in the current Group's risk management policies; • fluctuations in interest and exchange rates may affect the Group's results; • changes in the Italian and European regulatory framework could adversely affect the Group's business; • the Group may be subject to increased capital requirements; • the Group may be subject to the provisions of the Recovery and Resolution Directive, once finalised and implemented, in the future; • Operational and IT risks are inherent in the Group's business; • any rating downgrades of UniCredit or other entities of the Group would increase the re-financing costs of the Group and may limit its access to the financial markets and other sources of liquidity; • as at the date of this Base Prospectus, there are certain legal proceedings pending against UniCredit and other companies belonging to the Group; • the Group is involved in pending tax proceedings; and • the Group may be unable to fully implement its 2010-2015 Strategic Plan.
D.3	**Key risks regarding the Notes**	There are also risks associated with the Notes. These include a range of market risks (including that there may be no or only a limited secondary market in the Notes, that the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the

Element	Title	
		investor's own currency, that any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes and that changes in interest rates will affect the value of Notes which bear interest at a fixed rate), the fact that the conditions of the Notes may be modified without the consent of the holder in certain circumstances, that the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law and that investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them. **Key risks regarding to certain types of Notes** Notes subject to optional redemption by the relevant Issuer: the relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. If the relevant Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned. Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates. There are certain risks associated with investing in Subordinated Notes. These risks include: • an investor in Subordinated Notes assumes an enhanced risk of loss in the event of the relevant Issuer's insolvency as UniCredit and UniCredit Ireland obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities; • under the Subordinated Guarantee, in the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia, Liquidazione coatta amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit, the Subordinated Guarantee will rank in right of payment after unsubordinated unsecured creditors (including depositors) of UniCredit; • the regulatory classification of the Notes - although it is the Issuers' expectation that the Notes qualify as "Lower Tier II capital" or, as appropriate, "Tier 2 capital" there can be no representation that this is or

Element	Title	
		will remain the case during the life of the Notes or that the Notes will be, if appropriate, grandfathered under the implementation of future EU capital requirement regulations; and • loss absorption - investors should be aware that Subordinated Notes may be subject to a write-down or conversion into common shares at the point of non-viability should the Bank of Italy, the Central Bank of Ireland or other authority or authorities having oversight of the relevant Issuer at the relevant time (the Relevant Authority) be given the power to do so, whether as a result of the implementation of RRD or otherwise. The Subordinated Notes issued under the Programme include provisions setting out that the obligations of the relevant Issuer under Subordinated Notes are subject to the powers of the Relevant Authority pursuant to applicable law and/or regulation in force from time to time. There are certain risks associated with investing in Inflation Linked Interest Notes. These risks include: • potential investors in any such Notes should be aware that depending on the terms of the Inflation Linked Interest Notes they may receive no interest or a limited amount of interest; • Inflation Linked Interest Notes may be subject to certain disruption provisions or extraordinary event provisions and If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes; • the market price of Inflation Linked Interest Notes may be volatile and may depend on the time remaining to the maturity date or expiration and the volatility of the level of the inflation or consumer price index or indices; and • the level of the inflation or consumer price index or indices may be affected by the economic, financial and political events in one or more jurisdictions or areas. There are certain risks associated with investing in Renminbi Notes. These risks include: • the Renminbi is not freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC which may affect the liquidity of the Notes; • there is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes

Element	Title	
		and the relevant Issuer's ability to source Renminbi outside the PRC to service the Renminbi Notes; • an investment in Renminbi Notes is subject to exchange rate risk and interest rate risk; • an investment in Renminbi Notes is subject to interest rate risk; • an investment in Renminbi Notes is subject to risk of change in the regulatory regime governing the issuance of Renminbi Notes; • payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the Renminbi Notes. The value of Fixed Rate Notes may be adversely affected by movements in market interest rates. Credit ratings assigned to the Issuers, the Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes.

Section E – Offer

Element	Title	
E.2b	**Use of proceeds**	The net proceeds from each issue of Notes will be applied by the Issuers for their general corporate purposes, which include making a profit. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. [The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit [and[●]].
E.3	**Terms and conditions of the offer**	The Notes may be offered to the Public as a public offer in one or more specified Public Offer Jurisdictions. The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue. An Investor intending to acquire or acquiring any Notes in a Public Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. [Not Applicable – The Notes are not being offered to the public as part of a Non-Exempt Offer] [This issue of Notes is being offered in a Non-Exempt Offer in [●]].

Element	Title	
		The issue price of the Notes is [●] per cent. of their nominal amount. [*Summarise any public offer, copying the language from paragraphs [8viii] and [9] of Part B of the Final Terms.*]]
E.4	**Interest of natural and legal persons involved in the issue/offer**	The relevant Dealer may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers and the Guarantor and their affiliates in the ordinary course of business. [Other than as mentioned above,[and save for [●],] so far as the Issuers are aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]
E.7	**Expenses charged to the investor by the Issuer or an Offeror**	[Offer price: Issue Price.] [Authorised Offerors (as defined above) may, however, charge expenses to investors.] [Selling Concession: [*Insert selling concession*.]] [Other Commissions: [*Insert other commissions*.]] [Not applicable. No such expenses will be charged to the investor by the Issuer or a dealer.]

Risk Factors

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuers and the Guarantor believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. The Issuers and the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

The risk factors relating to the Group are deemed to cover the Issuers and the Guarantor.

FACTORS THAT MAY AFFECT THE RELEVANT ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME – FACTORS THAT MAY AFFECT THE GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE

Risks concerning liquidity which could affect the Group's ability to meet its financial obligations as they fall due

The UniCredit Group (as defined in the section headed "*Description of UniCredit and the UniCredit Group*") is subject to liquidity risk, which can be split between funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the bank will be unable to meet its obligations, including funding commitments and deposit withdrawals, as they fall due. In this context, the procurement of liquidity for business activities and the ability to access long-term financing are necessary to enable the Group to meet its payment obligations in cash, scheduled or unscheduled, and avoid prejudice to its current activities and financial situation.

The global financial crisis and resulting financial instability have significantly reduced the levels and availability of liquidity provided by private placements which led to a significant intervention of government guaranteed bonds that have been pledged with the European Central Bank to access open market operations.

The perception of banking industry riskiness remained high even though reduced interbank lending implies a lower funding liquidity risk. It should be noted that market speculative behaviours, in particular towards peripheral countries, has been successfully dealt with by government intervention. Should this government support vanish, the Group would be forced to rely on higher recourse to the wholesale market, which seems to be feasible in case of a normalisation of the macroeconomic conditions. Also retail customers are expected to benefit from a more stable liquidity context. Indeed retail customers are interwoven with the banking system, since they invest in network bonds as well as place the deposits and other funding sources which grew significantly in the last period.

In this context, the Group has announced, as part of its Strategic Plan (as defined below), its intention to decrease the proportion of wholesale funding in favour of retail funding. However, reduced customer confidence could result in the Group's inability to access retail funding and to increased deposit outflows, which in turn could further limit the Group's ability to fund its operations and meet its minimum liquidity requirements. This strategy is in line with the expected requirements of the Basel Committee which favours banks to leverage on more stable funding sources such as core-retail.

UniCredit also borrows from the European Central Bank (the **ECB**). Thus, any adverse change to the ECB's lending policy, including changes to collateral requirements (particularly those with retroactive effect), or any changes to the funding requirements set by the ECB, could significantly affect the Group's results of operations, business and financial condition.

In terms of market liquidity, the effects of the immediate liquidity of the assets held as cash reserves should be considered. Sudden changes in market conditions (interest rates and creditworthiness in particular) can impact significantly on the time to sell even for high quality assets such as government bonds. "Size effects" play an important role for the Group as it is likely that a liquidation of significant amounts of assets, even if high quality ones, would affect the overall market conditions. Additionally possible ratings downgradings and the resulting effects on the securities value as well as the consequent difficulty in ensuring immediate liquidity in unfavourable economic conditions could also affect the Group's ability to meet its financial obligations as they fall due.

Finally, it must be noted that the Group, in the management of short-term liquidity, adopted metrics that preserve its stability over a period of three months, while maintaining adequate liquidity reserves in terms of eligible and marketable securities. As defined in the Strategic Plan, the Group expects to achieve the objectives of compliance with the liquidity indicators that are going to be defined by Basel 3 regulations (i.e. **Liquidity Coverage Ratio** and Net Stable Funding Ratio) by 2015. The observation period related to the application of the rules, was delayed by one year, from 2013 to 2014, subject to the entry into force of the first part of the legislation in 2015, with a gradual phase-in which will be completed in 2019 (when LCR requirement will be 100%).

The UniCredit Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions

The Group's performance is influenced by the financial markets conditions and the macroeconomic situations of the countries in which it operates. In recent years, the global financial system has been subject to considerable turmoil and uncertainty and, as at the date of this Base Prospectus, the short and medium term outlook for the global economy remains uncertain.

The recent repricing of sovereign risk and the restructuring of Greek debt have contributed to keep volatility and uncertainty high, weighing negatively on the global financial system.

Such prolonged deterioration has led to significant distortions in global financial markets, including critically low levels of liquidity and availability of financing (resulting in high funding costs), historically high credit spreads, volatile capital markets and declining asset prices. In addition, the international banking system has been imperilled with unprecedented issues, which have led to sharp reductions in and, in some cases, the suspension of, interbank lending.

The businesses of many leading commercial banks, investment banks and insurance companies have been subject to significant pressure. Some of these institutions have failed or have become insolvent, have been integrated with other financial institutions, or have required capital injections from governmental authorities and supranational organisations. Additional adverse effects of the global financial crisis include the deterioration of loan portfolios, decreasing consumer confidence towards financial institutions, high levels of unemployment and a general decline in the demand for financial services.

Furthermore, the decline in economic activity in the countries in which the Group operates has had, and could continue to have, adverse effects on its operations, financing costs, share price and the value of its assets and has led to, and could continue to lead to, additional costs relating to devaluations and decreases in asset value.

All of the above could be further impacted by policy measures affecting the currencies of countries where the Group operates as well as by political instability in such countries and/or the inability of the governments thereof to take prompt action to confront the financial crisis.

The European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition

The sovereign debt crisis has given rise to concerns about the long-term sustainability of the European Monetary Union. In the last years, Greece, Ireland and Portugal have requested financial aid from European authorities and from the International Monetary Fund (**IMF**) and have started an ambitious programme of reforms. Cyprus has also requested financial help. In March 2012, Greece has restructured its debt after inserting retroactively the so-called "Collective Action Clauses" (**CAC**). The decision represented a credit event and has triggered credit default swaps (**CDS**). While risk that debt restructuring may be needed also in other countries has significantly diminished after the ECB has launched the "Outright Monetary Transactions" (**OMT**), it has not completely faded.

Rising market tensions might affect negatively the funding costs and economic outlook of some euro member countries, like in the case of the three bailed out countries (Greece, Ireland and Portugal). This, together with the risk that some countries (even if not very significant in terms of gross domestic product (**GDP**)) might leave the euro area, would have a material and negative impact on the Group and/or on the Group's clients, with negative implications for the Group's business, results and financial position.

Lingering market tensions might affect negatively the global economy and hamper the recovery of the euro area. Moreover, the tightening fiscal policy by some countries might weigh on households disposable income and on corporate profits with negative implications for the Group's business, results and financial position. This trend will likely continue in the coming quarters.

Any further deterioration of the Italian economy would have a material adverse effect on the Group's business, in light of the Group's significant exposure to the Italian economy. In addition, if any of the countries in which the Group operates witnessed a significant deterioration in economic activity, the Group's results of operations, business and financial condition would be materially and adversely affected.

The ECB's unconventional policy (including a security market programme and provision of liquidity via "Longer Term Refinancing Operations" (**LTRO**) with full allotment) has contributed to ease tensions, limiting the refinancing risk for the banking system and leading to a tightening of credit spreads. The possibility that the ECB could halt or reconsider the current set up of unconventional measures would impact negatively the value of sovereign debt instruments. This would have a materially negative impact on the Group's business, results and financial position.

Despite the several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the euro area, global markets remain characterised by high uncertainty and volatility. Any further acceleration of the European sovereign debt crisis would likely significantly affect, among other things, the recoverability and quality of the sovereign debt securities held by the Group as well as the financial resources of the Group's clients holding similar securities. The occurrence of any of the above events could have a material adverse effect on the Group's business, results and financial condition.

The Group has exposure to European sovereign debt

With reference to the Group's sovereign exposures[1], the book value of sovereign debt securities as at 31 December 2012 amounted to €93,766 million, of which over 90 per cent. concentrated in eight countries of which: Italy, with €40,797 million, represents about 44 per cent. of the total; Germany €20,604 million (22 per cent.); Poland €8,667 million (9 per cent.); Austria €5,710 million (6 per cent.); Turkey[2] €3,504 million (4 per cent.); Czech Republic €2,591 million (3 per cent.); Spain €1,416 million (2 per cent.); Hungary €1,397 million (1 per cent.). The remaining 10 per cent. of the total of sovereign debt securities, amounting to €9,080 million with reference to the book values as at 31 December 2012, is divided into 58 countries, among which the United States (€372 million), Ireland (€53 million), and Portugal (€29 million).

These exposures were not subject to impairment at 31 December 2012. With reference to these exposures, please note that on 21 February 2012, the Greek Republic and the public sector (EU Member States and the IMF) reached a mutual agreement conditional on the participation of private investors in the new bailout plan, which besides calling for further financial support from the public sector provided for an offer to swap old Greek bonds with new financial instruments.

1 Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. Asset backed securities are not included.

2 Amounts recognised using proportionate consolidation with reference to the ownership percentage for exposures held by joint ventures.

More specifically, these instruments consist of (i) European Financial Stability Facility (**EFSF**) notes with a face value of 15 per cent. of the exchanged bonds, (ii) new Greek government bonds with maturities between 10 and 30 years and a face value of 31.5 per cent of the exchanged bonds and (iii) GDP (Gross Domestic Product) Warrants.

From 24 February 2012 to 8 March 2012, the Greek Republic carried out the bond swap and subsequently enforced the Collective Action Clauses on all holders of bonds governed by Greek law who had rejected the voluntary deal.

In the fourth quarter 2012, the Greek Republic also finalized a takeover bid related to the new financial instruments.

The change in the market prices of the securities initially held, up to the participation in the bond swap offer, and the subsequent change in the new securities up to the date of sale of the whole exposure entailed an overall loss in the consolidated Income Statement as at December 31, 2012 of € 10.5 million.

In addition to the exposures to sovereign debt securities, loans[3] given to central and local governments and governmental bodies must be taken into account. The total amount as at 31 December 2012 of loans given to countries towards which the overall exposure exceeds €150 million amounted to €28,314 million, representing more than 97 per cent. of the total: Germany €8,101million (of which €950 million represented by financial assets held-for-trading or at fair value through P&L); Italy €8,041; Austria €6,171 million (of which €319 million represented by financial assets held-for-trading or at fair value through P&L); Croatia €2,382 million; Poland €1,797 million, and others.

Lastly, it should be noted that derivatives are traded within the ISDA master agreement and accompanied by Credit Support Annexes, which provide for the use of cash collaterals or low-risk eligible securities.

Financial regulators have requested that UniCredit Group companies reduce their credit exposure to other UniCredit Group entities, particularly their upstream exposure to UniCredit, which could have a material adverse effect on the way in which the UniCredit Group funds its operations and provides liquidity to members of the Group

In common with other multi-jurisdictional banking groups, the UniCredit Group companies have historically provided funding to other members of the Group, resulting in the transfer of excess cash liquidity from one member of the Group to another. In the past, one of the largest such outstanding exposures was from UniCredit Bank AG (**UCB AG**) to UniCredit, although UCB AG also has exposures to other UniCredit Group members. In addition, as the UniCredit Group's investment banking activities are centralised within UCB AG, significant non-cash intra-group credit exposures exist on a day-to-day basis between UCB AG and other Group members resulting from, among other things, UCB AG acting as an intermediary between such Group members, on the one hand, and external counterparties, on the other hand, in connection with various financial risk hedging transactions. Due to the nature of this business, the intra-group credit exposure of UCB AG is volatile and can change significantly on a daily basis.

As a result of the on-going global financial crisis, banking regulators in many of the jurisdictions in which the Group operates have sought, and continue to seek, to reduce the exposure of banks operating within their jurisdictions to other affiliated banks operating in jurisdictions over which they have no legal and/or regulatory control. This could have a material adverse effect on the way in which the UniCredit Group funds its operations and provides liquidity to members of the Group. Accordingly, the Group begun an active improvement of regional self-sufficiency aimed mainly at improveming the funding gap.

Furthermore, under applicable German regulations, credit institutions may be exempted from including intra-group exposures in their overall limit for large exposures if certain conditions are met. UCB AG relies on this exemption with respect to the intra-group exposures described above. If such exemption is no longer available due to changes in applicable regulations or otherwise, UCB AG could have to either reduce or balance its risk-weighted assets by allocating additional qualifying regulatory capital to remain in compliance with its statutory minimum solvency ratio, as well as the higher ratio it has agreed with the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the German Federal Financial Supervisory Authority, **BaFin**) to maintain.

[3] Excluding tax items.

In Germany, as a result of the level of UCB AG's intra-group cash and non-cash exposures and consequent discussions between UniCredit, UCB AG and BaFin, UniCredit and UCB AG have undertaken to reduce UCB AG's net intra-group exposure to the UniCredit Group, including through the use of collateral, based on on-going discussions with BaFin and the Bank of Italy.

The exposure of UCB AG towards UniCredit Group is expected to reduce further as a consequence of the maturing intercompany financing deals that will not be renewed fully. The adoption of a self-sufficiency principle by Group sub-holdings led to the adoption of strict policy in terms of funding gap control and reduction, not only in Italy but in all subsidiaries.

Systemic risk could adversely affect the Group's business

In light of the relatively reduced liquidity and relatively high funding costs that have prevailed in the interbank lending market since the onset of the global financial crisis, the Group is exposed to the risk that the financial viability (actual or perceived) of the financial institutions with whom, and the countries in which, it carries out its activities could deteriorate. The Group routinely executes a high volume of transactions with numerous counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks and other institutional clients. Financial services institutions that transact with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships; concerns about the stability of anyone or more of these institutions or the countries in which they operate could lead to significant constraints on the availability of liquidity (including completely frozen interbank funding markets), losses or other institutional failures. In addition, should one of the counterparties of a certain financial institution suffer losses due to the actual or perceived threat of default of a sovereign country, that counterparty may be unable to satisfy its obligations to the above financial institution. The above risks, commonly referred to as "systemic" risks, could adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with whom the Group interacts on a daily basis, which in turn could adversely affect the Group's ability to raise new funding. The occurrence of any "systemic" risks could adversely affect the Group's results of operations, business and financial condition.

In addition, in many of the countries in which the Group operates, it is required to participate in deposit guarantee and investor protection schemes. As a result, the insolvency of one or more of the participants in these schemes could result in UniCredit, or one of its banking subsidiaries', obligation to settle guaranteed customer claims against such insolvent participant(s) or to pay increased or additional contributions, which could materially adversely affect the Group's results of operations, business and financial condition.

Risks connected to an economic slowdown and volatility of the financial markets – credit risk

The Group is exposed to potential losses linked to credit risk, in connection with the granting of financing, commitments, credit letters, derivative instruments, currency transactions and other kinds of transactions. Credit risk typically resides in the assets of the banking book (loans and bonds held to maturity). The risk for banks in issuing loans is that the borrowers will not repay the amount that is owed in the time and with the terms specified by the loan agreement. If enough customers default on their loans, the Group can find itself in a serious financial predicament.

The loss could be complete or partial and can arise in a number of circumstances, e.g.: failure to make a payment due by consumer or business on a mortgage loan, credit card, line of credit or other loans; with reference to the group's sovereign exposure, the loss can occur when a Government becomes unwilling or unable to meet its loan obligations.

Any deterioration of the borrowers' creditworthiness and financial standing, or of the performance of loans and other receivables, as well as any wrong assessment of creditworthiness or country risks may have an important adverse effect on the Group's business, financial condition and results of operations, since these assets must be written off (in whole or in part).

Credit risk is present in both the traditional on-balance sheet uncollateralised and collateralised lending business and off-balance sheet business, for example when extending credit by means of a bank guarantee.

Credit risks have historically been aggravated during periods of economic downturn or stagnation, which are typically characterised by higher rates of insolvencies and defaults.

The banking and financial markets in which the Group operates have been hit by an unprecedented economic crisis, since 2007, which has seriously affected the economic growth, the fiscal and monetary policies, the market liquidity, the capital market's expectations and subsequently the consumers' behaviour in terms of investments and savings. The demand for financial products in traditional lending operations decreased and could further lessen if the economic downturn continues in the next months. This situation has impacted negatively the solvency of mortgage debtors and, in general, all Group's borrowers and their overall financial condition. As a consequence of that situation, the level of insolvent clients compared to outstanding loans and obligations has increased, impacting on the levels of credit risk.

As part of their respective businesses, entities of the Group operate in countries (emerging markets) with a generally higher country risk profile than in their respective home markets, often directly holding assets located in these countries. However, the financial crisis and economic recession, and policymakers' responses to these events, have raised sovereign risk concerns also in a number of advanced economies. This has increased the cost and reduced the stability of funding for banks. It has also meant that decisions about maturity of Government debt have become important to the dynamics of systemic financial distress.

The Group's future earnings could also be adversely affected by depressed asset evaluations resulting from a deterioration of market conditions in any of the markets in which the Group companies operate. As a result, volumes, revenues and net profits in banking and financial services business could be significantly volatile over time.

The Group monitors credit quality, manages specific risk of each counterpart and assesses the overall risk of the respective loan portfolios, and it will continue to do so. However, the market volatility and the prolonged economic slowdown can negatively affect the Group risk management ability to keep the Group's exposure to credit risk at acceptable levels.

In addition, protracted or steep declines in the stock or bond markets in Italy and elsewhere may have an adverse impact on the Group's investment banking, securities trading and brokerage activities, the Group's asset management and private banking services, as well as the Group's investments and sales of products linked to financial assets performance.

Structured Credit Products (Originator, Sponsor and Investor activities)

The Group acts as originator, sponsor and investor with respect to structured credit products (**SCPs**). The Group monitors the fair value and economic value of its portfolio of SCPs. The disposal of these financial products at prices below book value and, with respect to the Group's banking portfolio, the write downs triggered by declines, if any, in economic or market value below book value, could result in a material adverse effect on the Group's results of operations, business and financial condition; this effect would be more severe the higher the difference between the book value and the fair value.

Securitisations originated by the UniCredit Group

The UniCredit Group acts as originator with respect to loan portfolios of special purpose vehicles (**SPVs**), including traditional securitisation transactions where the loan portfolio is actually transferred to the vehicle, as well as synthetic securitisation transactions where the underlying credit risk is hedged in full or in part through credit default swaps and/or financial guarantees.

As at 31 December 2012, the level of cash exposure deriving from the Group's securitisations totalled €7.5 billion and was as follows:

- exposure from securitisations of derecognized assets: €0.9 billion;
- exposure from securitisations of assets not derecognized: €3.1 billion; and
- exposure from synthetic securitisations: €3.5 billion.

In terms of seniority, these exposures can be reported as follows:

- €1.4 billion of junior notes;

- €1.6 billion of mezzanine notes; and
- €4.5 billion of senior notes.

In addition to the above exposures, the Group also has an asset exposure of €22.7 billion to so-called self-securitisations, as well as €18 billion related to Covered Bond Programmes (**OBG** - *Obbligazioni Bancarie Garantite*) retained in the Group.

Conduits

The UniCredit Group acts as sponsor of Asset Backed Commercial Paper Conduits of Multi Seller Customer Conduits. As at 31 December 2012, the Group's cash exposure to conduits totalled €0.8 billion and its exposure to credit lines totalled €1.4 billion.

In connection with its role as sponsor, the Group selects the asset portfolios acquired by the conduits, and manages and provides collateral in the form of a unique specific line granted to each vehicle of subordinated level to ensure the timely reimbursement of the securities issued by such conduits.

Since the Group manages the conduits and benefits from their performance, the conduits are fully consolidated. As a result, the Group bears the main risk with respect to such conduit operations.

Other structured credit products in which the Group acts as investor

As at 31 December 2012, the Group's total net exposure to SCPs was €6.1 billion. The Group's portfolio of SCPs was limited to 0.73 per cent. of the total portfolio of financial assets as at 31 December 2012.

In addition, a portion of the Group's exposure to SCPs was reclassified in October 2008, reflecting certain changes to accounting policies, as the SCPs were no longer held for trading due to reduced liquidity and significant volatility in the financial markets. As at 31 December 2012, the book value of the Group's reclassified asset backed securities was €3.7 billion, while their fair value was €3.2 billion.

Deteriorating asset valuations resulting from poor market conditions may adversely affect the Group's future earnings

The global economic slowdown and economic crisis in certain countries of the Euro-zone have exerted, and may continue to exert, downward pressure on asset prices, which has an impact on the credit quality of the Group's customers and counterparties. This may cause the Group to incur losses or to experience reductions in business activity, increases in non-performing loans, decreased asset values, additional write-downs and impairment charges, resulting in significant changes in the fair values of the Group's exposures.

A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, ships, term deposits and receivables. In particular, as mortgage loans are one of the Group's principal assets, it is highly exposed to developments in real estate markets.

Continued decline in the general economies of the countries in which the Group operates, or a general deterioration of economic conditions in any industry in which its borrowers operate or in other markets in which the collateral is located, may result in decreases in the value of collateral securing the loans to levels below the outstanding principal balance on such loans. A decline in the value of collateral securing these loans or the inability to obtain additional collateral may require the Group to reclassify the relevant loans, establish additional provisions for loan losses and increase reserve requirements. In addition, a failure to recover the expected value of collateral in the case of foreclosure may expose the Group to losses which could have a material adverse effect on its business, financial condition and results of operations. Moreover, an increase in financial market volatility or adverse changes in the liquidity of its assets could impair the Group's ability to value certain of its assets and exposures or result in significant changes in the fair values of these assets and exposures, which may be materially different from the current or estimated fair value. Any of these factors could require the Group to recognise write-downs or realise impairment charges, any of which may adversely affect its financial condition and results of operations.

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

While the Group operates in many countries, Italy is the primary country in which it operates. Thus, the Group's business is particularly linked to the macroeconomic situation existing in Italy and could be materially adversely affected by any changes thereto. Recently, economic forecasts have suggested considerable uncertainty over the future growth of the Italian economy.

In addition to other factors that may arise in the future, declining or stagnating Italian GDP, rising unemployment and unfavourable conditions in the financial and capital markets in Italy could result in declining consumer confidence and investment in the Italian financial system, increases in the number of impaired loans and/or loan defaults, leading to an overall reduction in demand for the products and services offered by the Group.

Thus, a persistence of adverse economic conditions, political and economic uncertainty and/or a slower economic recovery in Italy compared with other Organisation for Economic Co-operation and Development countries could materially adversely affect the Group's results of operations, business and financial condition.

The Group also has significant operations in several Central and Eastern European countries (**CEE countries**), including Poland, Turkey, Russia, Croatia, Czech Republic, Bulgaria and Hungary. Within the CEE countries, the risks and uncertainties to which the UniCredit Group is exposed differ in nature and intensity, and a CEE country's membership in the European Union, or lack thereof, is only one of the key distinguishing factors that must be considered in assessing such risks and uncertainties. In addition, CEE countries, as a whole, however, have historically been characterised by highly volatile capital markets and exchange rates, a certain degree of political, economic and financial instability, and, in several cases, less developed political, financial and judicial systems.

Although the global financial crisis has exacerbated certain of these risks and uncertainties in those CEE countries in which the Group operates, economic recovery in the region has been consolidating during 2012 and 2011, albeit at varying levels of significance. The timing of full economic recovery in some of the CEE countries remains however uncertain and subject to, among others, developments in Western European economies and the global economy as a whole.

In recent years, with the aim of managing the effects of the global financial crisis, the Group recapitalised certain of its subsidiaries in several CEE countries, including some of those in Russia, Ukraine and Kazakhstan. These increases of capital have been made in order to align the financial situation of the Group to the regulatory requirements as well as to the market expectations.

Nevertheless, given the more restrictive regulations than those prevailing at the international level, the Group may need to continue strengthening the equity of and/or transfer an increasing amount of funds to its subsidiaries located in CEE countries, particularly those located outside the European Union, also considering the risk of being exposed to, among other things, regulatory or legal initiatives of local authorities in those countries. In addition, similar to the risks present in all countries in which the Group operates, local authorities in CEE countries could also adopt measures and/or initiatives such as: (a) requiring the waiver or reduction of loan repayment obligations, resulting in a level of risk provisions more significant than would normally apply under Group policies; (b) demanding additional capital; (c) increasing levies on banking activities. The Group may also be required to ensure that its subsidiaries located in CEE countries have greater levels of liquidity, in a context where access to liquidity worldwide may be increasingly difficult to obtain. An increase in loan impairments could be necessary in connection with levels of credit risk estimated by the Group. Furthermore, unfavourable developments in the growth rates of CEE countries compared to historical levels, together with the uncertainties surrounding Western European economies, could adversely affect the Group's achievement of its strategic goals.

Non-traditional banking activities expose the Group to additional credit risks

In addition to traditional banking activities such as lending and deposit-taking, the Group carries out non-traditional banking activities, which may expose the Group to additional credit and/or counterparty risk. Such additional risk may originate, for example, from: executing securities, futures, interest rate, currency or commodity trades that fail to settle in a timely manner due to non-delivery by the counterparty or alternatively due to system failures by clearing agents, exchanges, clearing houses or other financial intermediaries (including the Group); owning securities of third parties; and extending credit through other arrangements.

Parties to these transactions, such as trading counterparties or counterparties issuing securities held by entities of the Group, may default on their obligations due to insolvency, political and economic events, lack of liquidity, operational failure or other reasons. Defaults by counterparties with respect to a significant number of transactions or one or more transactions that involve significant volumes would have a material adverse effect on the Group's results of operations, business and financial condition.

The Group has made a series of significant investments in other companies, including those resulting from the conversion of debt into equity in the context of restructuring processes. Any losses or risks, operational or financial, to which the invested companies may be exposed may restrict the Group's ability to dispose of the above mentioned investments, and may cause considerable reductions in their value, with possible adverse effects to the Group's results of operations, business and financial condition.

In addition, the Group, as a result of executing guarantees and/or signing agreements to restructure debt, holds, and could acquire in the future, control or minority stakes in companies operating in industries other than those in which the Group currently operates, including, for example, real estate, oil, transport and consumer goods. These industries require specific skills in terms of knowledge and management that are not among those skills currently held by the Group. Nevertheless, in the course of any disposals, the Group may have to deal with such companies. This exposes the Group to the risks inherent in the activities of an individual company or subsidiary and to the risks arising from the inefficient management of such shareholdings, which could have adverse effects on the Group's results of operations, business and financial condition.

Unidentified or unanticipated risks, by their nature, might not be captured in the current Group's risk management policies

Banks belonging to the Group are subject to the risks inherent to banking and financial activities. The Group has structures, processes and human resources aimed at developing risk management policies, procedures and assessment methods for its activities in line with best market practices in the industry.

The Group's Risk Management Division provides strategic direction and defines the risk management policies implemented, locally, by the Group's risk management entities. Some of the methods used to monitor and manage these risks involve observations of historic market conditions and the use of statistical models for identifying, monitoring, controlling and managing risk.

However, these methods and strategies may be inadequate for the monitoring and management of certain risks, such as the risks attached to some complex financial products that are traded on unregulated markets (e.g., OTC derivatives), and, as a result, the Group could suffer greater losses than those contemplated by the methods or suffer losses not previously considered.

In addition, the occurrence of unforeseeable events or of events outside of the historical observation window, which have not been considered by the Risk Management Division and which may affect the performance of the markets in which the Group operates, could adversely affect the Group's results of operations, business and financial condition. These risks, and their effects, may be further aggravated by the complexities of integrating risk management policies into the Group's acquired entities.

At the date of this Base Prospectus, some of the relevant supervisory authorities are carrying out procedures to validate internal risk measurements that will be used for internal and regulatory purposes by UniCredit and other companies belonging to the Group. These procedures apply to models awaiting initial implementation as well as models already adopted, but for which the Group must demonstrate its maintenance of regulatory requirements.

In order to ensure the integrity and accuracy of the above measurement and risk management models, the Group employs a governance policy that is consistent with current applicable regulations in each of the markets in which it operates (for example, Bank of Italy, Circular No. 263 of 27 December 2006) as well as with international best practices.

Despite the maintenance and upgrading of these models, it is possible that, after investigation or verification by the supervisory authorities, the Group's internal models might no longer be adequate with respect to risks undertaken, which could adversely affect the Group, particularly with respect to its capital requirements.

Some regulators have conducted audits and/or reviews of risk management and internal control systems, and highlighted concerns (which were also the subject of additional internal and external audits) about the extent to which such systems are fully compliant with applicable legal and regulatory requirements. Progress on actions undertaken have been, and will continue to be, regularly reported to the relevant regulators.

Nevertheless, even if UniCredit plans, system improvements and robust monitoring process are acknowledged by the relevant regulators, there can be no assurance that the actions taken, and planned to be taken, by UniCredit will be fully satisfactory to the relevant regulators that have oversight of these matters. While UniCredit will address all the material concerns raised, there is a risk that the relevant regulators could take additional measures against UniCredit and its management, including issuing fines, imposing limitations on the conduct, outsourcing or the expansion of certain business activities.

Fluctuations in interest and exchange rates may affect the Group's results

Fluctuations in interest rates in Europe and in the other markets in which the Group operates may influence the Group's performance. The results of the Group's banking operations are affected, inter alia, by the Group's management of interest rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Group's financial condition and results of operations.

The interest rate risk position estimates include assumptions for assets and liabilities that do not have a well-defined maturity. Examples are listed below:

- sight and savings accounts: maturity assumptions are in place as these amounts are to some extent assumed to be sticky. For these maturity assumptions several considerations are taken into account including: the volatility of sight item volume, as well as the observed and perceived correlation between market and client rates. Both statistical as well as qualitative evidence is taken into account in order to evaluate which hedge maturity profile would best eliminate the potential interest rate risk arising from the sight items. The maturity mapping aims to obtain a replicating profile that would minimise the margin volatility.

- residential real estate mortgages: the model estimates the future volumes of redemptions on an ongoing basis, in order to limit the risk that the bank is not appropriately hedged for the interest rate risk resulting from the outstanding fixed interest rate mortgages. The assumptions on early loan repayments are based on historical data as well as a qualitative assessment.

The relevance and the approach to capture this event varies per region.

Rising interest rates along the yield curve can increase the cost of the Group's borrowed funds faster and at a higher rate than the yield on its assets, due to, for example, a mismatch in the maturities of its assets and liabilities that are sensitive to interest rate changes or a mismatch in the degree of interest rate sensitivity of assets and liabilities with similar maturities. At the same time, decreasing interest rates can also reduce the yield on the Group's assets at a rate which may not correspond to the decrease in the cost of funding.

Furthermore, a significant portion of the UniCredit Group's operations, mainly capital investments, are conducted in currencies other than the Euro, principally the Polish Zloty, the Turkish Lira, the U.S. Dollar, the Swiss Franc and the Japanese Yen. Unfavourable movements in foreign exchange rates could, therefore, influence the Group's results of operations, business, financial condition and prospects. As a result, the Group is exposed to foreign currency exchange rates and foreign currency transaction risks.

The Group's consolidated financial statements (including its interim financial statements) are prepared in Euro and carry out the necessary currency translations in accordance with applicable international accounting standards.

The Group employs a hedging policy with respect to the profits and dividends of its subsidiaries operating outside the Euro area. The Group takes prevailing market conditions into account in implementing its hedging policy. Any negative change in exchange rates and/or a hedging policy that is ineffective at

covering risk could significantly adversely affect the Group's results of operations, business and financial condition.

Changes in the Italian and European regulatory framework could adversely affect the Group's business

The Group is subject to extensive regulation and supervision by several bodies in all jurisdictions in which it operates, including the Bank of Italy (which is also responsible for supervision at a consolidated level), BaFin, PFSA, and the FMA. The rules applicable to banks and other entities in banking groups are mainly provided by implementation of measures consistent with the regulatory framework set out by the Basel Committee on banking Supervisions (**BCBS**) and aim at preserving their stability and solidity and limiting their risk exposure. The Group is also subject to regulations applicable to financial services that govern, among other things, the sale, placement and marketing of financial instruments as well as to those applicable to its bank-assurance activities. In particular, the Group is subject to the supervision of CONSOB and the Institute for the Supervision of Private Insurance. The Issuer is also subject to the rules applicable to it as an issuer of shares listed on the Milan, Frankfurt and Warsaw Stock Exchanges.

In accordance with the regulatory frameworks defined by the supervisory authorities mentioned above and consistent with the regulatory framework being implemented at the European Union, the Group governs, among other things, liquidity levels and capital adequacy, the prevention and contrast of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. In order to operate in compliance with these regulations, the Group has in place specific procedures and internal policies. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Group's results of operations, business and financial condition. The above risks are given by the fact that, as at the date of this Base Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

At a global level, in the wake of the global financial crisis that began in 2008, the BCBS approved, in the fourth quarter of 2010, revised global regulatory standards on bank capital adequacy and liquidity, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards (the so-called **Basel III**). The Basel III framework adopts a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019. As anticipated above, in January 2013 the BCBS has reviewed its original proposal in respect of the liquidity requirements accepting a number of the concerns raised by the banking industry. First, the phasing-in of the Liquidity Coverage Ratio will take place in a gradual manner (i.e. annual increase of 10 per cent.), starting with 60 per cent. in 2015 and ending with 100 per cent. in 2019. Second, the BCBS expanded the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities.

Between the end of 2010 and the beginning of 2011, the Bank of Italy issued a series of measures which amended the New Provisions of Prudential Supervision of Banks for the purposes of implementing the CRD II Directives which may require the Group, after a transitional period, to replace its financial instruments no longer computable for such purposes. In November 2010, the EU CRD III Directive was issued and included additional capital requirements relating to the trading portfolio and repackaging securitisations as well as a review of the remuneration policies.

The Basel III framework will be reflected in the EU legislation by means of the recently agreed package consisting of the Capital Requirements Directive (**CRD IV**) and the Capital Requirements Regulation (**CRR**), the latter being directly applicable in each member state. The adoption of these measures will allow the set-up of a Single rule book which is a key tool in the EU to allow a level playing field, to contrast regulatory arbitrage and foster the convergence of supervisory practices. The CRD IV and the CRR were formally adopted by the European Council on 20 June 2013 and published in the Official Journal on 27 June 2013. They are expected to enter into force by 1 January 2014.

More specifically, the phasing-in of the Liquidity Coverage Ratio (**LCR**) in a gradual manner (albeit more quickly than envisaged by Basel III), starting with 60 per cent. in 2015, 70 per cent. as from 1 January 2016, 80 per cent. as from 1 January 2017 and 100 per cent. as from 1 January 2018 was arguably viewed positively by the banking sector. On the other hand, the gradual phasing-in will not prevent member states from maintaining or even introducing national liquidity provisions applicable to domestically authorised

institutions. It must also be noted that it is up to the discretion of each national authority to decide whether liquidity requirements must be fulfilled on the level of each legal entity of a cross border group or if it is sufficient to fulfill the requirements on group level only. The latter would have a positive impact on the operating costs.

On the one hand, the expansion of high quality liquid assets to include high quality asset backed securities is appreciated (EBA will have to define by end 2013 which asset categories such as Prime Collateralized Securities are included). Notably, the Commission will report by 2015 on the removal of legal and practical obstacles in relation to the fulfillment of the liquidity requirements on group level only.

On the other hand, it is regrettable that many national discretions were introduced in the CRD IV. An example of national discretion is the capital surcharge which Member States can require at their financial systems in order to address macro-prudential risks in their own countries. Until 2015, Member States can require additional buffers of capital up to 3% of Core Tier 1 with no EU control. From 2015 onwards and for additional capital buffer between 3 and 5% the Member State has to notify the Commission, the EBA and the ESRB. In case of a negative Commission opinion the Member State has to comply or explain why it is not complying with the Commission's negative opinion. Buffer rates of above 5% will need the authorisation by the Commission.

On 6 June 2012, the European Commission published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Recovery and Resolution Directive** or **RRD**). The stated aim of the draft RRD is to provide competent authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The draft RRD contemplates that it will be implemented in Member States by 31 December 2014 except for the bail-in tool which is to be implemented by 1 January 2018 at the latest. The bail-in tool gives resolution authorities the power to write down the claims of unsecured creditors of failing institutions and to convert unsecured debt claims into equity. The Commission proposal foresees that Member States may exempt covered bonds as defined in Article 22(4) of Council Directive 86/611/EEC from bail-in.

The powers currently set out in the draft RRD would have an impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As a matter of fact if resolution requirements are left subject to national discretions and set by the national competent authorities, they could turn out not to be consistent across jurisdictions and therefore hamper the effective management of the Group. However, the proposed directive is not in final form and changes may be made to it in the course of the legislative procedure. As such, it is too early to anticipate the full impact of the draft directive but there can be no assurance that, once it is agreed upon and implemented, noteholders will not be adversely affected by actions taken under it. In addition, there can be no assurance that, once the draft RRD is agreed upon and implemented, its application will not have a significant impact on the Group's results of operations, business, assets, cash flows and financial condition, as well as on funding activities carried out by the Group and the products and services offered by the Group.

In addition, UniCredit was included in the list of global systemically important banks (**G-SIBs**) published on 4 November 2011 (as updated in November 2012) by the Financial Stability Board. The banks included in that list (which will be updated annually) as at November 2014 will be subject to increased oversight and will be required to, among other things, maintain the capacity to absorb additional losses through a capital buffer comprised of common equity Tier 1 of between 1 per cent. and 3.5 per cent. of their risk-weighted assets from 2016. The Group submitted to the competent authority its recovery plan by end of 2012 and supported supervisors in their drafting of the resolution plan.

Another regulatory initiative currently under discussion which may hamper a smooth functioning of the Group is the legislative proposal the European Commission is envisaging to adopt in the summer of 2013 following the recommendations released on 31 October 2012 by the High Level Expert Group (the **Liikanen Group**) on the mandatory separation of risky banking activities. Should a mandatory separation be imposed, additional costs at Group level are likely, in terms of higher funding costs, additional capital requirements and operational costs due to the separation, lack of diversification benefits. An additional layer of complexity, leading to uncertainty, is the high risk of diverging approaches throughout Europe on this issue. Despite the progress at EU level, the United Kingdom, France and Germany are already in the process of introducing local laws on the separation of banking activities.

In addition, a new legislative proposal on the Financial Transaction Tax (the **FTT**) was published on 14 February 2013. The proposal followed the Council's authorisation to proceed with the adoption of the FTT through enhanced cooperation, i.e. adoption limited to 11 countries - among which Italy, France, Germany and Austria. It is expected that the national provisions implementing the proposed FTT will have to enter in force starting from 1 January 2014 but such date could be possibly postponed, should the adoption of the proposal take more time.

The impact on the 'real economy' of the FTT as currently envisaged – especially for corporations – could be severe as many financial transactions are made on behalf of businesses that would bear the additional costs of the tax. For example, a transaction tax would raise the cost of the sale and purchase of corporate bonds in a time where it is widely acknowledged that access to capital markets by corporate issuers has to be incentivised.

Moreover, it is a matter of concern for the Group that the proposal does not exempt the transfers of financial instruments within a group. Thus, if a financial instrument is not purchased for a client but only moved within a banking group, each transaction would be subject to taxation. Also, the inclusion of derivatives and repos/lending transactions in the taxation scope clashes with the efficiency of financial markets.

Following the entry into force and subsequent application of new accounting standards and/or regulatory rules and/or the amendment of existing standards and rules, the Group may have to revise the accounting and regulatory treatment of some operations and the related income and expense, with potentially negative effects on the estimates contained in the financial plans for future years and with the need to restate already published financials.

In this regard, it should be pointed out that:

- IAS 19 revision and the new standard IFRS 13 entered into force on 1 January 2013;
- the new IFRS 10, IFRS 11 and IFRS 12 will enter into force in 2014.

Furthermore, IFRS 9 is currently being finalised. This new standard will introduce significant changes with regard to classification, measurement, impairment and hedge accounting of instruments, there including financial ones, replacing IAS 39. At the present time, IFRS 9 is still expected to be applicable as of 1 January 2015, following the IASB's enactment and the endorsement by the European Union.

The various regulatory requests may affect the activities of the Group, including its ability to grant loans, or result in the need for further capital injections in order to meet capital requirements as well as require other sources of funding to satisfy liquidity requirements, which could result in adverse effects to the Group's results of operations, business, assets, cash flows and financial condition, the products and services offered by the Group as well as the Group's ability to pay dividends.

In carrying out its activities, the Group is subject to numerous regulations of general application such as those concerning taxation, social security, pensions, occupational safety and privacy. Any changes to these laws and regulations and/or changes in their interpretation and/or their application by the supervisory authorities could adversely affect the Group's results of operations, business and financial condition.

Increased Capital Requirements

Under the Basel III framework, new capital requirements will be phased in gradually starting from 2013 until 2019. Minimum Common equity tier 1 (**CET1**) will be increased from broadly 2 per cent. of risk-weighted assets to 7.0 per cent. The 7.0 per cent. includes a "capital conservation buffer " of 2.5 per cent. to ensure that banks maintain a buffer of capital that can be used to absorb losses during periods of financial and economic stress. An additional "countercyclical buffer requirement" of 0-2.5 per cent. will be implemented according to national circumstances. The countercyclical buffer requirement will apply in periods of excess lending growth in the economy and can vary for each jurisdiction. If it is still on the list of G-SIBs at November 2014, UniCredit will also be subject to an additional loss absorbency requirement of between 1 per cent. and 3.5 per cent., determined according to specific indicators (size, interconnectedness, lack of substitutes for the services provided, global activity and complexity). The G-

SIBs capital buffer will be phased-in in parallel with the capital conservation and countercyclical buffers, ie between 1 January 2016 and year end 2018, becoming fully effective on 1 January 2019.

The Group may be subject to the provisions of the Recovery and Resolution Directive, once finalised and implemented, in the future

As described under the section "*Changes in the Italian and European regulatory framework could adversely affect the Group's business*", the European Commission published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the RRD). The powers provided to authorities in the draft RRD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a bank's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) if insolvency of an institution presents a concern as regards the general public interest, a clear means to reorganise or wind down the bank in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses in insolvency (resolution).

The draft RRD currently contains four resolution tools and powers: (i) sale of business - which enables resolution authorities to the sale of the institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (ii) bridge institution - which enables resolution authorities to transfer of all or part of the business of an institution to a "bridge bank" (a publically controlled entity); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and (iv) bail in - which gives resolution authorities the power to write down the claims of senior unsecured creditors and subordinated creditors (including holders of Tier II securities, such as the Subordinated Notes, and non-common Tier I securities) of a failing institution and to convert unsecured debt claims to equity (subject to certain parameters as to which liabilities would be eligible for the bail in tool).

Except for the senior debt bail-in tool (which is expected to be implemented by 1 January 2018), it is currently contemplated that the measures set out in the draft RRD (including the power of authorities to write off non-common Tier I and Tier II capital) will be implemented in Member States with effect from 1 January 2015.

The powers currently set out in the draft RRD would impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. However, the proposed directive is not in final form and changes may be made to it in the course of the legislative procedure. As such, it is too early to anticipate the full impact of the draft directive but there can be no assurance that, once it is agreed upon and implemented, Noteholders will not be adversely affected by actions taken under it. In addition, there can be no assurance that, once the draft RRD is agreed upon and implemented, its application will not have a significant impact on the Group's results of operations, business, assets, cash flows and financial condition, as well as on funding activities carried out by the Group and the products and services offered by the Group.

Operational and IT risks are inherent in the Group's business

The Group's operations are complex and geographically diverse, and require the ability to efficiently and accurately process a large number of transactions while complying with applicable laws and regulations in the countries in which it operates. The Group is exposed to operational risks and losses that can result from, among other things, internal and external fraud, unauthorized activities in the capital markets, inadequate or faulty systems and controls, telecommunications and other equipment failures, data security system failures, errors, omissions or delays of employees, including with respect to the products and services offered, unsuitable Group policies and procedures, including those related to risk management, customer complaints, natural disasters, terrorist attacks, computer viruses and violations of law.

In addition, recent acquisitions and organisational restructuring in Italy, Germany, Austria and Central and Eastern Europe, has led to the integration of the information, internal audit and accounting systems of the companies acquired, some of which were profoundly different from those used by the Group. As of the date of this Base Prospectus, the Group's commercial banking activities in Italy, Germany and Austria are integrated on the EuroSIG platform.

While the Group actively employs procedures to contain and mitigate operational risk and related adverse effects, the occurrence of certain unforeseeable events, wholly or partly out of the Group's control, could substantially limit their effectiveness. As a result, there can be no assurance that the Group will not suffer future material losses due to the inadequacy or failure of the above procedures. The occurrence of one or more of above risks could adversely affect the Group's results of operations, business and financial position.

Intense competition, especially in the Italian market, where the Group has a substantial part of its businesses, could have a material adverse effect on the Group's results of operations and financial condition

UniCredit and the companies belonging to the UniCredit Group are subject to risks arising from competition in the markets in which they operate, particularly in Italy, Germany, Austria, Poland and the CEE countries.

In particular, the Italian market represents the main market in which the Group operates. As at 31 December 2012, 48 per cent. of direct funding and 46 per cent. of the revenues of the Group are related to the Italian market.

In general, the international banking and financial services industry is extremely competitive. Competitive pressure could increase as a result of regulatory actions, the behaviour of competitors, consumer demand, technological advances, aggregation processes which involve large groups like the UniCredit Group requiring ever larger economies of scale, the entry of new competitors and other factors not entirely within the Group's control. In addition, the aforementioned aggregation processes could intensify if instability in the financial markets persists. A worsening of the macroeconomic situation may also result in increased competitive pressure due to, for example, increased pressure on prices and lower volumes of activity.

In the event that the Group is not able to respond to increasing competitive pressure through, among other things, providing innovative and profitable products and services to meet the needs of customers, the Group could lose market share in the various sectors in which it is active.

In addition, as a result of such competition, the Group may fail to maintain or increase business volumes and profit levels that have been achieved in the past, resulting in adverse effects on the Group's results of operations, business and financial condition.

Ratings

UniCredit is rated by Fitch Italia S.p.A. (**Fitch**), by Moody's Italia S.r.l. (**Moody's**) and by Standard & Poor's Credit Market Services Italy S.r.l. (**Standard & Poor's**), each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended by Regulation (EU) No 513/2011 (the **CRA Regulation**) as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the ESMA webpage *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*).

In determining the rating assigned to UniCredit, these rating agencies consider and will continue to review various indicators of the Group's performance, UniCredit's profitability and its ability to maintain its consolidated capital ratios within certain target levels. If UniCredit fails to achieve or maintain any or a combination of more than one of the indicators, including if UniCredit is unable to maintain its consolidated capital ratios within certain target levels, this may result in a downgrade of UniCredit's rating by Fitch, Moody's or Standard & Poor's.

Any rating downgrades of UniCredit or other entities of the Group would increase the re-financing costs of the Group and may limit its access to the financial markets and other sources of liquidity, all of which could have a material adverse effect on its business, financial condition and results of operations.

Risks in connection with legal proceedings

As at the date of this Base Prospectus, there are certain legal proceedings pending against UniCredit and other companies belonging to the Group.

In many cases there is significant uncertainty as to the possible outcome of the proceedings and the amount of possible losses. These cases include criminal proceedings and administrative proceedings brought by supervising authorities as well as civil litigation where damages have not been specified (as is the case in the putative class actions in the United States).

To cover liabilities that may arise from pending lawsuits (other than those concerning employment matters, taxes or the recovery of loans), the Group has set aside, as at 31 December 2012, a provision for risks and charges of €1,324 million. An estimated liability is based on information available from time to time, but it is also based on estimates because of the many uncertainties connected to litigation. Therefore, it is possible that provisions may be insufficient to fully deal with the charges, expenses, penalties, damages and other requests relating to pending proceedings, and, therefore the actual costs upon completion of pending proceedings may be significantly higher than previously anticipated. There are also proceedings, some of which have substantial amounts in issue, for which the Group did not consider it necessary to make, or for which the Group was not able to quantify, a provision.

The Group must also comply with various legal and regulatory requirements concerning, among others, conflicts of interest, ethical issues, anti-money laundering, sanctions imposed by the United States or international bodies, privacy rights and information security. In particular, a member of the UniCredit Group is currently responding to a third-party witness subpoena from the New York County District Attorney's Office in connection with an ongoing investigation regarding certain, persons and/or entities believed to have engaged in conduct that violated applicable sanctions promulgated by the US Treasury Department Office of Foreign Assets Control. Failure to comply with these requirements may lead to additional litigation and/or investigations and may subject the Group to claims for damages, fines, penalties as well as subject it to reputational damage.

The Group is involved in pending tax proceedings

At the date of the Prospectus, there are different tax proceedings pending against UniCredit and other companies belonging to the UniCredit Group.

For example, over the past decade, several Group banks have carried out structured finance transactions, including the "DB Vantage" and "Brontos" transactions. In connection with such structured finance transactions, UniCredit and several Group banks have been audited or investigated by the Italian Tax Agency (*Agenzia delle Entrate*) and the Prosecutor of Milan. Those audits and investigations presented tax and legal risks to the Group. Several of the above audits resulted in the issuance of tax assessment notices to UniCredit and other Group banks. However, in certain cases, UniCredit settled all the tax assessment notices for amounts lower than originally assessed, except for fiscal year 2004 that was challenged.

There can be no assurance that UniCredit Group will not be subject to an adverse outcome of one or more of the tax proceedings to which it is subject or may be subject in the future. Such an adverse outcome could have a material adverse effect on the Group's results of operations, business and financial condition. In addition, should a member of the Group breach or allegedly breach tax legislation in one or more of the countries in which the Group operates, the Group could be exposed to increased tax risks, which in turn could increase the likelihood of further tax litigation and result in reputational damage.

The Group may be unable to fully implement its 2010-2015 Strategic Plan

On 14 November 2011, the Board of Directors of UniCredit approved the 2010-2015 strategic plan (the **Strategic Plan**).

The Strategic Plan is based on projections and estimates relating to the occurrence of future events and regarding the effect of initiatives and steps taken by the management in the time horizon of the Strategic Plan.

The main assumptions upon which the Strategic Plan is based relate to a macroeconomic scenario in the geographies in which the Group operates, which is beyond the control of the management, and to assumptions relating to specific actions and future events to be undertaken by the management of the Group, which may not occur or evolve differently than assumed in the Strategic Plan.

Such circumstances could determine even significant deviations from the financial projections included in the Strategic Plan, leading to a revision of them as announced by UCG Press release 'UniCredit: 4Q12 Group results' as of March 15 th 2013.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or in any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Neither the obligations of the Issuers under the Notes nor those of the Guarantor in respect of Notes issued by UniCredit Ireland or UniCredit International Luxembourg are covered by deposit insurance schemes in the Republic of Italy, Ireland or Luxembourg. Furthermore, neither Notes issued by UniCredit nor Notes issued by UniCredit Ireland or by UniCredit International Luxembourg will be guaranteed by, respectively, the Republic of Italy, Ireland or Luxembourg under any legislation that is or will be passed to address liquidity issues in the credit markets, including government guarantees or similar measures.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

Risks applicable to all Notes

If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, if so specified in the applicable Final Terms, the relevant Issuer (UniCredit and/or UniCredit Ireland) may also, at its option, redeem Subordinated Notes following a regulatory event in accordance with Condition 8.3 (*Redemption for regulatory reasons (Regulatory Call)*). Any redemption of the Subordinated Notes is subject to the prior approval of the Bank of Italy in the case of Subordinated Notes issued by UniCredit and of the Central Bank of Ireland and the Bank of Italy (where applicable or required) in the case of Subordinated Notes issued by UniCredit Ireland.

If the relevant Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks relating to Subordinated Notes

An investor in Subordinated Notes assumes an enhanced risk of loss in the event of the relevant Issuer's insolvency

UniCredit and UniCredit Ireland obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which are subordinated but to a lesser degree than the obligations under the relevant Subordinated Notes) of UniCredit and UniCredit Ireland for money borrowed or raised or guaranteed by UniCredit or UniCredit Ireland, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy (in the case of UniCredit) and Ireland (in the case of UniCredit Ireland). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the relevant Issuer become insolvent.

In no event will holders of Subordinated Notes be able to accelerate the maturity of their Subordinated Notes; such holders will have claims only for amounts then due and payable on their Subordinated Notes.

After the relevant Issuer has fully paid all deferred interest on any issue of Subordinated Notes and if that issue of Subordinated Notes remains outstanding, future interest payments on that issue of Subordinated Notes will be subject to further deferral as described above.

Risk under the Subordinated Guarantee

The obligations of UniCredit in respect of each Series of Subordinated Notes issued by UniCredit Ireland (the **Subordinated Guarantee**) constitute direct, unsecured and subordinated obligations of UniCredit.

The Subordinated Guarantee is intended to provide the holders of the Subordinated Notes issued by UniCredit Ireland, as closely as possible, with rights equivalent to those to which the holders would have been entitled if the Subordinated Notes had been issued directly by UniCredit.

In the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione coatta amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit, the Subordinated Guarantee will rank in right of payment after unsubordinated unsecured creditors (including depositors) of UniCredit but at least *pari passu* with all the present and future subordinated obligations of UniCredit of the same nature and in priority to the claims of the shareholders of UniCredit.

Regulatory classification of the Notes

The intention of the Issuers is for Subordinated Notes to qualify on issue as "Lower Tier II capital" (in respect of Subordinated Notes issued prior of the implementation of CRD IV) or "Tier 2 capital" (in respect of Subordinated Notes issued following the implementation of CRD IV) for regulatory capital purposes. Current regulatory practice by the Bank of Italy or the Central Bank of Ireland (in each case acting as lead regulator) does not require (or customarily provide) a confirmation prior to the issuance of Subordinated Notes that the Notes will be treated as such.

Although it is the Issuers' expectation that the Notes qualify on issue as "Lower Tier II capital" or, as appropriate, "Tier 2 capital", there can be no representation that this is or will remain the case during the life of the Notes or that the Notes will be grandfathered (in the case of Subordinated Notes which qualified on issue as "Lower Tier II capital") under the implementation of future EU capital requirement regulations. If such Subordinated Notes are not grandfathered (in the case of Subordinated Notes which qualified on issue as "Lower Tier II capital"), or for any other reason cease to qualify, as "Lower Tier II capital" or, as appropriate, "Tier 2 capital", the relevant Issuer will (if so specified in the applicable Final Terms) have the right to redeem the Subordinated Notes in accordance with Condition 8.3 (*Redemption for regulatory reasons (Regulatory Call)*), subject to the prior approval of the Bank of Italy and/or the Central Bank of Ireland, as applicable. There can be no assurance that holders of such Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Notes, as the case may be.

Loss absorption

Investors should be aware that Subordinated Notes may be subject to a write-down or conversion into common shares at the point of non-viability should the Bank of Italy, the Central Bank of Ireland or other authority or authorities having oversight of the relevant Issuer at the relevant time (the Relevant Authority) be given the power to do so, whether as a result of the implementation of RRD or otherwise. The Terms and Conditions of Subordinated Notes issued under the Programme include provisions setting out that the obligations of the relevant Issuer under Subordinated Notes are subject to the powers of the Relevant Authority pursuant to applicable law and/or regulation in force from time to time. To such extent investors should also consider Condition 5.5

Risks relating to Inflation Linked Interest Notes

The relevant Issuer may issue Inflation Linked Interest Notes where the amount of interest is dependent upon the level of an inflation/consumer price index or indices.

Potential investors in any such Notes should be aware that depending on the terms of the Inflation Linked Interest Notes they may receive no interest or a limited amount of interest. In addition, the movements in the level of the inflation/consumer price index or indices may be subject to significant fluctuations that

may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual return to investors, even if the average level is consistent with their expectations.

Inflation Linked Interest Notes may be subject to certain disruption provisions or extraordinary event provisions. Relevant events may relate to an inflation/consumer price index publication being delayed or ceasing or such index being rebased or modified. If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes. Any such adjustments may be by reference to a Related Bond if specified in the applicable Final Terms. In addition certain extraordinary or disruption events may lead to early termination of the Notes which may have an adverse effect on the value of the Notes. Whether and how such provisions apply to the relevant Notes can be ascertained by reading the Inflation Linked Conditions in conjunction with the applicable Final Terms.

If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the inflation/consumer price index or the indices or interest payable will be magnified.

A relevant consumer price index or other formula linked to a measure of inflation to which the Notes are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Notes (if applicable).

The timing of changes in the relevant consumer price index or other formula linked to the measure of inflation comprising the relevant index or indices may affect the actual yield to investors on the Notes, even if the average level is consistent with their expectations.

An inflation or consumer price index to which interest payments are linked is only one measure of inflation for the relevant jurisdiction or area, and such Index may not correlate perfectly with the rate of inflation experienced by Noteholders in such jurisdiction or area.

The market price of Inflation Linked Interest Notes may be volatile and may depend on the time remaining to the maturity date or expiration and the volatility of the level of the inflation or consumer price index or indices. The level of the inflation or consumer price index or indices may be affected by the economic, financial and political events in one or more jurisdictions or areas.

Risks applicable to certain types of Exempt Notes

There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes, Dual Currency Notes and Credit Linked Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.

The relevant Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a **Relevant Factor**). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(a) the market price of such Notes may be volatile;

(b) they may receive no interest;

(c) payment of principal or interest may occur at a different time or in a different currency than expected;

(d) they may lose all or a substantial portion of their principal;

(e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and

(g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in the light of its particular circumstances.

Credit Linked Notes – General risks relating to Credit Linked Notes

The Issuer may issue Credit Linked Notes where the amount of principal and/or interest payable are dependent upon whether certain events (each a Credit Event) have occurred in respect of one or more specified entities (a Reference Entity) and, if so, on the value of certain specified assets (Reference Obligations) of the Reference Entity or where, if such events have occurred, on redemption the Issuer's obligation is to deliver certain specified assets (Deliverable Obligations). In certain circumstances the Calculation Agent may determine Valuation Obligations in a similar manner to Deliverable Obligations. In such case, the Valuation Obligations, as determined by the Calculation Agent, would be used to determine the Final Price. All references in this section to Reference Obligations shall be deemed to include Valuation Obligations, as applicable.

Credit Linked Notes differ from ordinary debt securities in that the amount of principal and/or interest payable by the relevant Issuer is dependent on whether a Credit Event has occurred and that payments upon redemption (whether at maturity or earlier) may be linked to the value of the Reference Obligation(s) including, if applicable, the value of any related underlying hedging arrangements (which may include interest rate or cross-currency swaps). In certain circumstances the Notes will cease to bear interest and the value paid to the Noteholders at maturity may be less than their original investment and may in circumstances be zero. Accordingly, the Noteholders will be exposed to the credit of the Reference Entities to the full extent of their investment in the Notes. The relevant Issuer may issue Credit Linked Notes including Linear Basket Credit Linked Notes and First-to-Default Credit Linked Notes. With respect to Linear Basket Credit Linked Notes, if one of the Reference Entities experiences a Credit Event during the term of the Notes, there will be a proportionate reduction in the redemption amount due on maturity and on any future interest payments. Such Reference Entity will be removed from the basket but the Notes will otherwise remain outstanding until the Scheduled Maturity Date. First-to-Default Credit Linked Notes are linked to the performance of two or more Reference Entities where the relevant Issuer's obligation to pay principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Obligation(s) and/or to deliver the Reference Obligation(s), in each case, in relation to the First Reference Entity in respect of which a Credit Event has occurred. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in Credit Linked Notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation. Noteholders will have no right to vote or exercise any other right or remedy with respect to any Reference Entity or any Reference Obligation.

There may exist at times only a small market or no market for Credit Linked Notes and the Reference Obligations to which the Notes are linked resulting in low or non-existent volumes of trading in the Notes and such Reference Obligations, and therefore a lack of liquidity and price volatility of the Notes and such Reference Obligations.

None of the Issuers, the Guarantor or any of their respective affiliates makes in respect of Credit Linked Notes any representation as to the credit quality of any Reference Entity. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to a Reference Entity, its respective affiliates or any guarantors, that is or may be material in the context of Credit Linked Notes. The issue of Credit Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or to any other party such information (whether or not confidential).

The market price of Credit Linked Notes may be volatile and will be affected by, amongst other things, the time remaining to the maturity date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Each of the Issuers, the Guarantor or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any Reference Entity, its respective affiliates or any guarantor or any other person or entity having obligations relating to any Reference Entity or its respective affiliates or any guarantor in the same manner as if any Credit Linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity, any of its respective affiliates or any guarantor. In selecting any Reference Obligation, the Calculation Agent will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from such selection.

The relevant Issuer's obligations in respect of Credit Linked Notes, including Linear Basket Credit Linked Notes and First-to-Default Credit Linked Notes, are irrespective of the existence or amount of the relevant Issuer's or the Group's credit exposure to a Reference Entity, and the relevant Issuer and/or Group need not suffer any loss nor provide evidence of any loss as a result of a Credit Event.

Credit Linked Notes – Risks relating to determinations made by the Credit Derivatives Determinations Committees

In respect of a Credit Event relating to a Credit Linked Note, prospective purchasers should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an auction should take place in accordance with and as more fully described in the Rules. Consequently, the payments on the Notes and the timing of any such payments may be affected by any such relevant decisions if Auction Settlement is specified as the applicable Settlement Method for a series of Notes in the relevant Pricing Supplement.

Credit Linked Notes – Auction Settlement

Any amounts payable by and/or rights and obligations of the parties under such Credit Linked Notes in respect of the relevant Reference Entity or Reference Obligation, will be determined in accordance with the Auction Final Price. Noteholders will be subject to the risk that where the Auction Final Price is used, this may result in a lower recovery value than a Reference Entity or Reference Obligation would have if such Auction Final Price had not been used.

Credit Linked Notes – Auction Final Price and the Issuer's ability to influence the Auction Final Price

If the Notes are redeemed following the occurrence of a Credit Event, the amount payable in respect of the Notes may be determined by reference to the Auction Final Price determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms. There is a possibility that the Issuer, the Calculation Agent or one of their affiliates would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations or Valuation Obligations, as applicable. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), neither the Calculation Agent nor the Issuer nor any of their affiliates shall be under an obligation to consider the interests of any Noteholder.

Credit Linked Notes – Credit Event and Succession Event Backstop Dates

In respect of a Credit Event relating to a series of Credit Linked Notes, a Credit Event will not be determined by the Credit Derivatives Determinations Committee unless a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event within sixty (60) calendar days of the occurrence of such potential Credit Event unless a Credit Event Determination Date has already occurred with respect to such event. For Succession Events the look-back period is ninety (90) calendar days and functions similarly. These provisions mean

that there is a time limit on the ability to act on a Credit Event or Succession Event and that it is possible that the Notes could be affected by a Credit Event or Succession Event that took place prior to the Trade Date if Auction Settlement is specified as the applicable Settlement Method for a series of Notes in the relevant Pricing Supplement.

Credit Linked Notes – Credit Events and Actual Default

Not all of the Credit Events require an actual default with respect to the Reference Entity(ies)'s obligations. Thus, Noteholders could bear losses based on deterioration in the credit of the Reference Entity(ies) short of a default, subject to the provisions set out in the applicable Final Terms. Also, not all of the Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event with respect to a Credit Event did or did not constitute a Credit Event. The Calculation Agent's good faith, reasonable determination that a Credit Event has or has not occurred will be binding on the Noteholders. The Calculation Agent's view of whether a Credit Event has occurred may be different from the view of the Noteholders or other financial institutions, rating agencies or commentators.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of its investment

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of its investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (a) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (b) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (c) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 19 of the conditions of the Notes.

Risks related to Singapore taxation

Notes issued in Singapore dollars are intended to be, where applicable, "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the **ITA**), subject to the fulfilment of certain conditions as further described under "*Taxation in Singapore*". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith under the ITA should the relevant tax laws be amended or revoked at any time, which amendment or revocation may be prospective or retroactive.

Call options are subject to the prior consent of the Bank of Italy and/or the Central Bank of Ireland

In addition to the call rights described under "*Regulatory classification of the Notes*" below, Subordinated Notes may also contain provisions allowing the relevant Issuer to call them after a minimum period of, for example, five years. To exercise such a call option, the Issuer must obtain the prior written consent of the Bank of Italy in the case of Subordinated Notes issued by UniCredit and of the Central Bank of Ireland and the Bank of Italy (where applicable or required) in the case of Subordinated Notes issued by UniCredit Ireland.

Holders of such Notes have no rights to call for the redemption of such Notes and should not invest in such Notes in the expectation that such a call will be exercised by the relevant Issuer. The Bank of Italy, in the case of Subordinated Notes issued by UniCredit, and the Central Bank of Ireland and the Bank of Italy (where applicable or required), in the case of Subordinated Notes issued by UniCredit Ireland, must agree to permit such a call, based upon their evaluation of the regulatory capital position of the relevant Issuer and the Guarantor (in the case of Notes issued by UniCredit Ireland) and certain other factors at the relevant time. There can be no assurance that the Bank of Italy or the Central Bank of Ireland will permit such a call. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

Withholding under the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

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

If a payment were to be made in or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer, the Guarantor, the Principal Paying Agent, nor any of the Paying Agents (as defined in the Conditions of the Notes), nor any institution where the Notes are deposited, would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax, and there would be no requirement for the relevant Issuer or the Guarantor to pay any additional amount pursuant to Condition 10 of the Terms and Conditions of the Notes relating to such withholding. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Act (FATCA) Withholding

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems (see "*Foreign Account Tax Compliance Act*" in the Taxation section). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It

also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, save that subordination provisions applicable to Subordinated Notes issued by UniCredit are governed by, and shall be construed in accordance with, Italian law in effect as at the date of this Base Prospectus, and Subordinated Notes issued by UniCredit Ireland are governed by, and shall be construed in accordance with, Irish law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or to Italian law for the Subordinated Notes issued by UniCredit or to Irish law for the Subordinated Notes issued by UniCredit Ireland or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Renminbi is not freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC which may affect the liquidity of the Notes

The Renminbi is not freely convertible at present. The government of the PRC (the **PRC Government**) continues to regulate conversion between the Renminbi and foreign currencies, despite the significant reduction over the years by the PRC Government of control over routine foreign exchange transactions under current accounts. Currently, participating banks in Hong Kong, Singapre and Taiwan have been permitted to engage in the settlement of Renminbi trade transactions. This represents a current account activity.

On 12 October 2011, the Ministry of Commerce of the PRC (MOFCOM) promulgated the "Circular on Certain Issues Concerning Direct Investment Involving Cross-border Renminbi" (商務部關於跨境人民幣直接投資有關問題的通知) (the **MOFCOM Circular**). Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts were authorised to approve Renminbi foreign direct investments (FDI) in accordance with existing PRC laws and regulations regarding foreign investment, with certain exceptions based on, amongst others, the size and industry of the investment which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM. The MOFCOM Circular also stipulates that the proceeds of FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in domestic companies listed in the PRC through private placements or share transfers by agreement under the PRC strategic regime.

On 13 October 2011, the People's Bank of China (the PBoC) promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (外商直接投資人民幣結算業務管理辦法) (the **PBoC FDI Measures**) as part of the implementation of the PBoC's detailed FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

As the MOFCOM Circular and the PBoC FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi (the **Renminbi Notes**).

For further details in respect of the remittance of Renminbi into and outside the PRC (including the MOFCOM Circular and the PBoC FDI Measures), see "Remittance of Renminbi into and outside the PRC" below.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service the Renminbi Notes

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Currently, licensed banks in Hong Kong and Singapore may offer limited Renminbi-denominated banking services to Hong Kong residents, Singapore residents, and specified business customers. The PBoC, the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong, Singapre and Taiwan. Each of Industrial and Commercial Bank of China, Singapore Branch, Bank of China (Hong Kong) Limited and Bank of China, Taipei Branch (each an **Renminbi Clearing Bank**) has entered into settlement agreements with the PBoC to act as the renminbi clearing bank in Singapore, Hong Kong and Taiwan respectively.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. They are only allowed to square their open positions with the relevant Renminbi Clearing Bank after consolidating the Renminbi trade position of banks outside Hong Kong, Singapore and Taiwan that are in the same bank group of the participating banks concerned with their own trade position, and the relevant Renminbi Clearing Bank only has access to onshore liquidity support from the PBoC only for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations in relation to cross-border trade settlement. The relevant Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or the settlement agreements will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent that the relevant Issuer is required to source Renminbi in the offshore market to service the Renminbi Notes, there is no assurance that it will be able to source such Renminbi on satisfactory terms, if at all. If the Renminbi is not available in certain circumstances as described in the conditions applicable to Renminbi Notes, the relevant Issuer can make payments under the Renminbi Notes in U.S. Dollars.

Investment in the Renminbi Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollar or other applicable foreign currency terms will decline.

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in the conditions of the Notes), the relevant Issuer is unable, or it is impractical for it, to pay interest or principal in Renminbi, the conditions of the Notes allow the Issuer to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in more detail in the conditions of the Notes. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in U.S. dollar or other foreign currency terms will decline.

An investment in Renminbi Notes is subject to interest rate risk

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

An investment in Renminbi Notes is subject to risk of change in the regulatory regime governing the issuance of Renminbi Notes

Renminbi Notes issuance is subject to laws and regulations of the relevant RMB Settlement Centre(s). The PRC Government currently views Hong Kong as one of the key offshore RMB-denominated debt instrument centres and has established a cooperative relationship with Hong Kong's local government to develop the RMB-denominated debt instrument market. There can be no assurance that the PRC Government will continue to encourage issuance of RMB-denominated debt instruments outside of mainland China and any change in the Chinese government's policy or the regulatory regime governing the issuance of RMB-denominated debt instruments may adversely affect the Renminbi Notes.

Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the Renminbi Notes

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the RMB Settlement Centre(s). All Renminbi payments to investors in respect of the Notes will be made solely (i) for so long as the Notes are represented by a Registered Global Note held with the common depositary, for Euroclear and Clearstream, Luxembourg or any alternative clearing system by transfer to a Renminbi bank account maintained in RMB Settlement Centre(s) in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures, or (ii) for so long as the Notes are in definitive form, by transfer to a Renminbi bank account maintained in the RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than described in the conditions of the Notes, the Issuers and the Guarantor cannot be required to make payment by any other means (including in any other currency in bank notes, by cheque or draft or or by transfer to a bank account in the PRC).

PRC Taxation

Holders of the Notes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of the Notes or any repayment of principal and payment of interest made thereon.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuers will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuers or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuers, the Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuers, the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (the **CRA Regulation**) (as amended) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The relevant Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes and, if appropriate, a supplement to the Base Prospectus or a new Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

Issuers:	UniCredit S.p.A. (**UniCredit**) UniCredit Bank Ireland p.l.c. (**UniCredit Ireland**) UniCredit International Bank (Luxembourg) S.A. (**UniCredit International Luxembourg**)
Guarantor:	Notes issued by UniCredit Ireland and UniCredit International Luxembourg will be guaranteed by UniCredit.
Description:	Euro Medium Term Note Programme
Arranger:	UBS Limited
Co-Arranger:	UniCredit Bank AG
Dealers:	Barclays Bank PLC BNP Paribas Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc The Royal Bank of Scotland plc Société Générale UBS Limited UniCredit Bank AG and any other Dealers appointed from time to time in accordance with the Eleventh Amended and Restated Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Base Prospectus.

	Notes issued by UniCredit Ireland and/or UniCredit International Luxembourg having a maturity of less than one year: Notes issued by UniCredit Ireland and/or UniCredit International Luxembourg having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*".
Programme Size:	Up to €60,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Issuing and Principal Paying Agent:	Citibank, N.A., London Branch or such other agent(s) specified in the applicable Final Terms or Pricing Supplement.
Trustee:	Citicorp Trustee Company Limited.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, yen, Renmimbi (CNY) and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer(s).
Rule 144A Option:	Registered Notes may be freely traded amongst "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) in accordance with Rule 144A.
Institutional Accredited Investor Option:	Registered Notes may be privately placed with Institutional Accredited Investors pursuant to Regulation D and may be traded in accordance with Section 4 of the Securities Act.
Registrar:	Citigroup Global Markets Deutschland AG.
Transfer Agents:	Citibank, N.A., London Branch and KBL European Private Bankers S.A.
Subordinated Notes:	Subordinated Notes may be issued by UniCredit or UniCredit Ireland. UniCredit International Luxembourg will not issue Subordinated Notes.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or by any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by UniCredit, the Subordinated Notes must have a minimum maturity of five years. In the case of Subordinated Notes issued by UniCredit Ireland, unless otherwise permitted by current laws, regulations, directives and/or the Central Bank of Ireland requirements applicable to the issue of Subordinated Notes, Subordinated Notes having a stated maturity must have

	a minimum maturity of at least five years (or, if issued for an indeterminate duration, redemption of such Notes may only occur subject to five years' notice of redemption being given or with the Central Bank of Ireland's consent, which will only be given where the request is made at UniCredit Ireland's initiative and UniCredit Ireland's solvency is not in question). See also "*Redemption*" below.
Issue Price:	Notes may be issued on a fully-paid or in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes may be issued in bearer or registered form as described in "*Form of the Notes*". Notes may not be issued or sold in the United States in bearer form, except in certain transactions permitted by U.S. tax regulations.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s).
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement). The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer(s).
Inflation Linked Interest Notes:	Payments of interest in respect of Inflation Linked Interest Notes will be calculated by reference to one or more inflation Indices as set out in Condition 7.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuers and the relevant Dealer(s) (as indicated in the applicable Final Terms).

The Notes may bear interest on a different interest basis in respect of different interest periods. The Issuer has the option of changing the interest basis between fixed rate and floating rate and vice versa in respect of different periods, upon prior notification of such change in interest basis to noteholders.

Exempt Notes:

The Issuers may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes, Notes redeemable in one or more instalments or Credit Linked Notes. References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Index Linked Notes: payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree.

Dual Currency Notes: payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree.

Partly Paid Notes: the Issuers may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer(s) may agree.

Notes redeemable in instalments: the Issuers may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer(s) may agree.

Credit Linked Notes: the Issuers may issue Notes in respect of which the payment of the amount of principal and/or interest (if any) will be dependent on whether a Credit Event in respect of the Reference Entity has occurred.

The relevant Issuer, if the Notes are Guaranteed Notes, and the Guarantor, if any, may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons or, in the case of Subordinated Notes, for regulatory reasons (subject to the prior approval of the Bank of Italy and the Central Bank of Ireland, as applicable), or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.

In the case of Subordinated Notes issued by UniCredit, early redemption may occur only at the option of UniCredit and with the prior approval of the Bank of Italy.

In the case of Subordinated Notes issued by UniCredit Ireland, Subordinated Notes having a stated maturity (which must be at least five years) may be redeemed on their Maturity Date or, if of indeterminate duration, may be redeemed where five years' notice of redemption has been given. Otherwise Subordinated Notes may only be redeemed with the Central Bank of Ireland's consent, which will only be given where the request is made at UniCredit Ireland's initiative and UniCredit Ireland's solvency is not in question.

The applicable Pricing Supplement, in the case of Exempt Notes, may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes issued by UniCredit Ireland and/or UniCredit International Luxembourg having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes issued by UniCredit Ireland and/or UniCredit International Luxembourg having a maturity of less than one year*" above.

Under Part II of the Prospectus Act 2005, which implements the Prospectus Directive in Luxembourg, prospectuses for the admission to trading of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II and do not need to be approved by the CSSF. Any offers to the public of such securities in Luxembourg would be subject to the prior approval of the CSSF of a simplified prospectus pursuant to Part III, Chapter 1 of the Prospectus Act 2005.

Redemption for Indexation Reasons: Inflation Linked Interest Notes may be redeemed before their stated maturity at the option of the relevant Issuer, if the Index ceases to be published or any changes are made to it which, in the opinion of an Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Noteholders.

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or by any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) and save that any Notes issued by UniCredit Ireland that: (i) will not be listed on any stock market and that mature within two years will have a minimum denomination of €500,000 or U.S.$500,000 or, in the case of Notes which are denominated in a currency other than euro or U.S. dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of the first publication of this Programme); and (ii) will not be listed on any stock exchange and that do not mature within two years will have a minimum denomination of €500,000 or its equivalent at the date of issuance.

Certain Conditions of the Notes: See elements C.8 and B.18 of "Summary of the Programme" for a description of certain terms and conditions applicable to all Notes issued under the Programme.

Documents Incorporated by Reference

The following documents which have previously been published and have been filed with CSSF at the same time as the Base Prospectus shall be incorporated in, and form part of, this Base Prospectus:

– the Terms and Conditions contained in the Base Prospectus dated 26 June 2012, pages 74 to 143 (inclusive), prepared by the Issuers in connection with the Programme,

– the audited consolidated annual financial statements as at and for each of the financial years ended 31 December, 2012 and 2011 of UniCredit;

– the audited consolidated annual financial statements as at and for each of the financial years ended 31 December, 2012 and 2011 of UniCredit Ireland;

– the audited consolidated annual financial statements as at and for each of the financial years ended 31 December, 2012 and 2011 of UniCredit International Luxembourg;

– the unaudited consolidated interim financial information as at and for the three months ended 31 March, 2013;

– the unaudited consolidated interim financial information as at and for the three months ended 31 March 2012 of UniCredit;

– the Memorandum and Articles of Association of UniCredit;

– the Memorandum and Articles of Association of UniCredit Ireland; and

– the Memorandum and Articles of Association of UniCredit International Luxembourg,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Any information not listed in the cross reference table below is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) N°809/2004, save that, for the Base Prospectus dated 26 June 2012, the not mentioned parts are either not relevant for the investors or covered elsewhere in the Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuers and the Guarantor and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained free of charge from the registered office of each of the Issuers and from the specified office of the Paying Agents for the time being in London and Luxembourg. Copies of documents incorporated by reference in this Base Prospectus, the Base Prospectus, as well as the Final Terms relating to each Tranche of Notes issued under the Programme, will also be published on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

The following information from UniCredit's, UniCredit Ireland's and UniCredit Luxembourg International's annual and interim reports is incorporated by reference, and the following cross-reference lists are provided to enable investors to identify specific items of information so incorporated:

Document	Information incorporated	Page numbers
UniCredit Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December 2012	Consolidated Balance Sheet	88-89
	Consolidated Income Statement	90-91
	Consolidated Statement of Comprehensive Income	91
	Statement of changes in Shareholders' Equity	92-93
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UniCredit Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December 2011	Consolidated Balance Sheet	130-131
	Consolidated Income Statement	133
	Consolidated Statement of Comprehensive Income	134
	Statement of changes in Shareholders' Equity	135
	Consolidated Cash Flow Statement	136-137
	Notes to the Consolidated Accounts	139-464
	Report of External Auditors	532
UniCredit Unaudited Consolidated Interim Financial Statements as at and for the Three Months Ended 31 March 2013	Consolidated Balance Sheet	16
	Consolidated Income Statement	17
UniCredit Unaudited Consolidated Interim Report as at and for the Three Months Ended 31 March 2012	Consolidated Balance Sheet	16
	Consolidated Income Statement	17
UniCredit Ireland Audited Annual Financial Statements as at and for the Financial Year Ended 31 December 2012	Independent Auditors' Report Accounting Policies Balance Sheet Income Statement Statement of Comprehensive Income Statement of Changes in Shareholder's Equity Cash Flows Statements Notes to the Financial Statements	8-9 10-23 24-25 26 27 28-29 30-31 32-50
UniCredit Ireland Audited Annual Financial	Accounting Policies	11-24

Document	**Information incorporated**	**Page numbers**
Statements as at and for the Financial Year Ended 31 December 2011	Balance Sheet	25-26
	Income statement	27
	Statement of Comprehensive Income	28
	Statement of Changes in Shareholders' Equity	29-30
	Cash Flow Statement	31-32
	Notes to the Financial Statements	33-78
	Independent Auditors' Report	8-10
UniCredit International Luxembourg Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December 2012	Consolidated statement of financial position	1
	Consolidated statement of comprehensive income	2
	Consolidated statement of changes in equity	3-4
	Consolidated statement of cash flows	5-6
	Notes to the consolidated financial statements	7-41
	Report of the *réviseur d'entreprises agréé*	Pages not numbered in the Report
UniCredit International Luxembourg Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December 2011	Consolidated statement of financial position	1
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Form of the Notes

Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.

The Notes of each Series will either be in bearer form, with or without Coupons attached, or registered form, without Coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or Regulation D under the Securities Act.

BEARER NOTES

Each Tranche of Bearer Notes will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent Global Note (a **Permanent Bearer Global Note** and, together with the Temporary Bearer Global Note, the **Bearer Global Notes**) which, in either case, will:

(i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and

(ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of

the Permanent Bearer Global Note) if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the relevant Issuer. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 12) has occurred and is continuing, or (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 17 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Permanent Global Notes and definitive Bearer Notes which have an original maturity of more than 1 year and on all receipts and interest coupons relating to such Notes:

"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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

REGISTERED NOTES

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Regulation S Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 1 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (a) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) or (b) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act), that are institutions (**Institutional Accredited Investors**) who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**).

Registered Global Notes will either (a) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (b) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (**Definitive IAI Registered Notes**). Unless otherwise set forth in the

applicable Final Terms, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Subscription and Sale and Transfer and Selling Restrictions*". Institutional Accredited Investors that hold Definitive IAI Registered Notes may elect to hold such Notes through DTC, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Subscription and Sale and Transfer and Selling Restrictions*". The Rule 144A Global Note and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.5) as the registered holder of the Registered Global Notes. None of the relevant Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.5) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that either (a) an Event of Default has occurred and is continuing, (b) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, or (c) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 17 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

TRANSFER OF INTERESTS

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".**

GENERAL

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of

the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or as otherwise required by a court of competent jurisdiction or a public official authority) shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the Trustee thereof in certain circumstances described in Condition 12. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, on and subject to the terms of the Trust Deed. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

Applicable Final Terms

NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY), OTHER THAN EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes and which have a denomination of less than €100,000 (or its equivalent in any other currency) issued under the Programme.

Final Terms dated [*date*]
[**UniCredit S.p.A. / UniCredit Bank (Ireland) p.l.c. /UniCredit International Bank (Luxembourg) S.A.]**

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
[guaranteed by UniCredit S.p.A.]
under the
€60,000,000,000 Euro Medium Term Note Programme

Part A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 5 July 2013 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor[s]] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

A summary of the individual issue is annexed to these Final Terms. The Base Prospectus has been published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [*original date*] which are incorporated by reference in the Base Prospectus dated [*current date*]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the individual issue is annexed to these Final Terms. The Base Prospectus has been published on the website of UniCredit *www.unicreditgroup.eu* as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms*.]

[*When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive*.]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency*.]

1. (a) Series Number: [ ]

	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 27 below, which is expected to occur on or about [*date*]][Not Applicable]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	(a)	Specified Denominations:[1]	[ ] *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*
	(b)	Calculation Amount:	[ ] *(If only one Specified Denomination, insert the Specified Denomination* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
6.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7.	Maturity Date:		[*Fixed rate - specify date*/*Floating rate* - Interest Payment Date falling in or nearest to [*specify month*][2]] [(*NB: The Maturity Date [should not be/may need to be not] less than one year after the Issue Date*)]

[1] Notes to be issued by UniCredit Ireland which are not listed on a stock exchange and which mature within two years must have a minimum denomination of €500,000 or US$500,000 or, in the case of Notes which are denominated in a currency other than euro or U.S. dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of first publication of this programme).

[2] Note that for Renminbi denominated Fixed Rate Notes, where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

			(If Subordinated Notes issued by UniCredit, the redemption of the Notes shall be subject to the prior approval of the Bank of Italy, as set out in Condition 8.1)
8.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] per cent. Fixed Rate from [ ] to [ ], then [ ] per cent. Fixed Rate from [ ] to [ ]] [[ ] month [LIBOR/EURIBOR/CMS Reference Rate] +/- [ ] per cent. Floating Rate] [Floating Rate: CMS Rate Linked Interest] [Inflation Linked Interest] [Zero Coupon] (further particulars specified below)
9.	Redemption/Payment Basis:		[100 per cent.] [●]
10.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate or viceversa change occurs or cross refer to paragraphs 14 and 16 below and identify there*] [Not Applicable]
11.	Put/Call Options:		[Investor Put] [Issuer Call] [Regulatory Call] [(see paragraph[s] [19][, 20]/[and] [21]]
12.	(a)	Status of the Notes:	[Senior/Subordinated] [The loss absorption provisions set out in Condition 5.5 shall not apply to the Notes]
	(b)	Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[ ] [and [ ], respectively] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate(s) of Interest:	[[ ] per cent. per annum payable in arrear on each Interest Payment Date] [*specify other in case of different Rates of Interest in respect of different Interest Periods*].
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity

			Date] (*Amend appropriately in the case of irregular coupons*)
	(c)	Business Day Convention	[Modified Following Business Day Convention/Not Applicable] (*NB. For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*)
	(d)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form*)	[ ] per Calculation Amount *(N.B. Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)*
	(e)	Broken Amount(s): (*Applicable to Notes in definitive form*)	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(f)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)][3]
	(g)	Determination Date[s]:	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
14.	Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	(f)	Screen Rate Determination:	

[3] Applicable for Fixed Rate Notes denominated in Renminbi.

–	Reference Rate(s):	[[ ] month [LIBOR/EURIBOR/CMS Reference Rate]]/[CMS Rate]]
–	Relevant Financial Centre:	[London/Brussels/*specify other Relevant Financial Centre*] (*only relevant for CMS Rate*)
–	Reference Currency:	[●] (*only relevant for CMS Rate*)
–	Designated Maturity:	[●] (*only relevant for CMS Rate*)
–	Specified Time:	[●] in the Relevant Financial Centre (*only relevant for CMS Rate*)
(i)	Interest Determination Date(s):	[ ] *(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR, euro LIBOR or CMS Rate where the reference currency is euro)* (*In the case of a CMS Rate where the Reference Currency is euro*): [Second day on which the TARGET2 system is open prior to the start of each interest Period] (*In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period*]
(ii)	Relevant Screen Page:	**[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]** *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)* (*In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions*)
CMS Rate definitions:		[Cap means [ ] per cent. per annum] [Floor means [ ] per cent. per annum] [Leverage means [ ] per cent.]

(g) ISDA Determination:

(i)	Floating Rate Option:	[ ]
(ii)	Designated Maturity:	[ ]
(iii)	Reset Date:	[ ]

(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked.*)

(h) Difference in Rates: [Applicable]/[Not Applicable]

– CMS Rate 1: [ ]

– Manner in which CMS Rate 1 is to be determined: [Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination]

(*N.B. Sub-paragraphs (vi) and (vii) above to be completed in relation to CMS Rate 1*)

– CMS Rate 2: [ ]

– Manner in which CMS Rate 2 is to be determined: [Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination]

(*N.B. Sub-paragraphs (vi) and (vii) above to be completed in relation to CMS Rate 1*)

(i) Margin(s): [Not Applicable]/[[+/-] [ ] per cent. per annum

(j) Minimum Rate of Interest: [ ] per cent. per annum

(k) Maximum Rate of Interest: [ ] per cent. per annum

(l) Day Count Fraction: [[Actual/Actual (ISDA)][Actual/Actual]
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
[30/360][360/360][Bond Basis]
[30E/360][Eurobond basis]
30E/360 (ISDA)][4]

(See Condition 6 for alternatives)

15. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]

(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Inflation Index: [ ]

(*Give or annex details of index/indices*)

(b) Inflation Index Sponsor: [ ]

(c) Index Factor: [ ] [*Specify the relevant Index Factor*] [Not Applicable]

[4] Actual/365(Fixed) is applicable to Renminbi denominated Fixed Rate Notes.

(d)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[*name*] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
(e)	Determination Date(s):	[ ]
(f)	Interest or calculation period(s):	[ ]
(g)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(h)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] (*Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 7.8 (Payments Day)*.)
(i)	Additional Business Centre(s):	[ ]
(j)	Minimum Rate of Interest:	[ ] per cent. per annum
(k)	Maximum Rate of Interest:	[ ] per cent. per annum
(l)	Margin:	[[*insert Margin*] per cent. per annum] [Not Applicable]
(m)	Day Count Fraction:	[ ]
(n)	Commencement Date of the Inflation Index:	[ ]*[Specify the relevant commencement month of the retail price index]*
(o)	Reference Month:	[ ]
(p)	Reference Bond:	[ ]
(q)	Related Bond:	[Applicable]/[Not Applicable] The Related Bond is: [ ] [Fallback Bond] The issuer of the Related Bond is: [ ]
(r)	Fallback Bond:	[Applicable]/[Not Applicable]
(s)	Cut-Off Date:	[As per Conditions]/[*specify other*]
(t)	End Date:	[ ] (*This is necessary whenever Fallback Bond is applicable*)
(u)	Additional Disruption Events:	[As per Conditions]/[*specify*]

	(v)	Trade Date:	[ ]
16.	Change of Interest Basis Provisions:		[Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*N.B. To be completed in addition to paragraphs 13 and 14 (as appropriate) if any fixed to floating or fixed reset rate change occurs*)
	(i)	Switch Option:	[Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable] (*N.B. The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 17 on or prior to the relevant Switch Option Expiry Date*)
	(ii)	Switch Option Expiry Date:	[ ]
	(iii)	Switch Option Effective Date:	[ ]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts::	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 8.2:		Minimum period: [ ] days Maximum period: [ ] days
19.	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount][[Spens Amount][Make-whole Amount]] [*Set out appropriate variable details in this pro forma, for example reference obligation*]
	(c)	Reference Bond:	[Insert applicable Reference Bond/FA Selected Bond]

	(d)	Quotation Time:	[11.00 a.m. [London/specify other] time]
	(e)	Redemption Margin:	[[ ] per cent/Not Applicable]
	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
		Notice period:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.*)
20.	Regulatory Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*N.B. Only relevant in the case of Subordinated Notes*)
	(a)	Minimum Disqualification Amount	[ ] per cent. of the aggregate outstanding nominal amount of the Notes
	(b)	Early Redemption Amount payable on redemption for regulatory reasons (in the case of Subordinated Notes only and subject to the prior approval of the Bank of Italy and/or the Central Bank of Ireland, as applicable) as contemplated by Condition 8.3 and/or the method of calculating the same (if required or if different from that set out in Condition 8.6 (Redemption and Purchase – Early Redemption Amounts):	[[ ] per Calculation Amount/As per Condition 8.6]
21.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount
	(c)	Notice periods:	Minimum period: [ ] days

		Maximum period: [ ] days *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee).*
22.	Early Redemption Amount payable on redemption for taxation reasons (as contemplated by Condition 8.2) or on event of default:	[[ ] per Calculation Amount/As per Condition 8.2] [See also paragraph 20 (Regulatory Call)] (*Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable*)
23.	RMB Currency Event:	[Applicable] [Not Applicable]
24.	Spot Rate :	(i) Relevant Spot Rate Screen Page: [●]/[Not Applicable] (ii) Relevant Valuation Time: [●]/[Not Applicable]
25.	Party responsible for calculating the Spot Rate:	[Calculation Agent]
26.	Relevant Currency:	[*specify*] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27.	Form of Notes		
	(a)	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for definitive Notes on and after the Exchange Date] [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Permanent Bearer Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[5]] [Registered Notes: Regulation S Global Note (U.S.$[ ] nominal amount)

[5] Include for Notes that are to be offered in Belgium.

		registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]
	(b) New Global Note:	[Yes] [No]
28.	Additional Financial Centre(s):	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 15(c) relates)*
29.	[RMB Settlement Centre(s):	[Not Applicable/*give details*]
30.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[[*Relevant third-party information,*] has been extracted from [*specify source*]. The Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [*name of the Issuer*]:	[Signed on behalf of UniCredit S.p.A.:
By:	By: .....
Duly authorised	*Duly authorised*
By:	By: .....
Duly authorised	*Duly authorised*]

Part B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING:**	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading*)
	(a) Estimate of total expenses related to admission to trading:*	[ ]*

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Dealers/Managers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - Amend as appropriate if there are other interests]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a)	Estimated net proceeds:	[ ]
(b)		(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding*)
(c)	Estimated total expenses:	[ ] [*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "use"*]

5. YIELD (Fixed Rate Notes only)

Indication of yield: [ ]

6. HISTORIC INTEREST RATES (Floating Rate Notes Only)

Details of historic [LIBOR/EURIBOR/CMS Reference Rate] rates can be obtained from [Reuters].

7. OPERATIONAL INFORMATION

(a)	ISIN Code:	[ ]
(b)	Common Code:	[ ]
(c)	[CUSIP: [●]]	[ ]
(d)	[CINS: [●]]	[ ]
(e)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
(f)	Delivery:	Delivery [against/free of] payment
(g)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(h)	Deemed delivery of clearing system notices for the purposes of Condition 17 (Notices):	Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
(i)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life.

Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

8. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/*give names, addresses and underwriting commitments*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
(iii)	Date of [Subscription] Agreement:	[ ] [Not Applicable]
(iv)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
(v)	If non-syndicated, name and address of relevant Dealer:	[Not Applicable/*give name and address*]
(vi)	Total commission and concession:	[ ] per cent. of the Aggregate Nominal Amount
(vii)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]
(viii)	Non-exempt Offer:	[Not Applicable] [An offer of the Notes may be made by the Managers [, [*insert names of financial intermediaries receiving consent (specific consent)*] (the **Initial Authorised Offerors**)] [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Base Prospectus in connection with the Non-exempt Offer and who are identified on the Issuer's website at *www.unicreditgroup.eu* as an Authorised Offeror] (together [with any financial intermediaries granted General Consent], being persons to whom the issuer has given consent, the **Authorised Offerors**) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) from those identified in the inside cover as being the Member States where the issuer intends to make Non-exempt Offers, which must*

		therefore be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (the **Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"*] (the **Offer Period**). See further Paragraph [9 below].]
(ix)	General Consent:	[Not Applicable][Applicable]
(x)	Other conditions to consent:	[Not Applicable][*Add here any other conditions to which the consent given is subject*]. (*N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer [where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus] in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.*)

9. TERMS AND CONDITIONS OF THE OFFER

(*Delete whole section if sub-paragraph 8(viii) above is specified to be Not Applicable because there is no Non-exempt Offer*)

(a)	Offer Price:	[Issue Price/Not Applicable/*specify*]
(b)	Conditions to which the offer is subject:	[Not Applicable/*give details*]
(c)	Offer Period:	See paragraph [8(viii)] above
(d)	Description of the application process:	[Not Applicable/*give details*]
(e)	Details of the minimum and/or maximum amount of application:	[Not Applicable/*give details*]
(f)	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/*give details*]
(g)	Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/*give details*]
(h)	Manner in and date on which results of the offer are to be made public:	[Not Applicable/*give details*]
(i)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*give details*]

(j)	Whether tranche(s) have been reserved for certain countries:	[Not Applicable/*give details*]
(k)	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/*give details*]
(l)	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/*give details*]
(m)	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[*insert name*] [*insert address*] [The Authorised Offerors identified in paragraph [8] above.]

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE, OTHER THAN EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes and which have a denomination of €100,000 (or its equivalent in any other currency) or more issued under the Programme.

[*Date*]

[UniCredit S.p.A. / UniCredit Bank (Ireland) p.l.c. / UniCredit International Bank (Luxembourg) S.A.]

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
[guaranteed by UniCredit S.p.A.]
under the
€60,000,000,000 Euro Medium Term Note Programme

Part A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 5 July 2013 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor[s]] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [*original date*] which are incorporated by reference in the Base Prospectus dated [*current date*]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of UniCredit *www.unicreditgroup.eu* as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms*.]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency*.]

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph

			[●] below, which is expected to occur on or about [*date*]][Not Applicable]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	(a)	Specified Denominations:[1]	[ ] *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* *(N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))* *(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."))*
	(b)	Calculation Amount:	[ ] *(If only one Specified Denomination, insert the Specified Denomination* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
6.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7.	Maturity Date:		[*Fixed rate - specify date*/*Floating rate* - Interest Payment Date falling in or nearest to [*specify month*][2]]

[1] Notes to be issued by UniCredit Ireland with a minimum maturity of two years which are not listed on a stock exchange must have a minimum denomination of €500,000 or its equivalent at date of issuance. Notes to be issued by UniCredit Ireland which are not listed on a stock exchange and which mature within two years must have a minimum denomination of €500,000 or US$500,000 or, in the case of Notes which are denominated in a currency other than euro or U.S. dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of first publication of this programme).

			[(*NB: The Maturity Date [should not be/may need to be not] less than one year after the Issue Date*)] *(If Upper Tier II Subordinated Notes issued by UniCredit, the redemption of the Notes shall be subject to the prior approval of the Bank of Italy, as set out in Condition 8.1)*
8.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] per cent. Fixed Rate from [ ] to [ ], then [ ] per cent. Fixed Rate from [ ] to [ ]] [[ ] month [LIBOR/EURIBOR/CMS Reference Rate] +/- [ ] per cent. Floating Rate] [Floating Rate: CMS Rate Linked Interest] [Inflation Linked Interest] [Zero Coupon] (further particulars specified below)
9.	Redemption/Payment Basis:		[100 per cent.][●]
10.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate or viceversa change occurs or cross refer to paragraphs 13 and 14 below and identify there*] [Not Applicable]
11.	Put/Call Options:		[Investor Put] [Issuer Call] [Regulatory Call] [(see paragraph[s] [19]/[,20][and][21]]
12.	(a)	Status of the Notes:	[Senior/ Subordinated] [The loss absorption provisions set out in Condition 5.5 shall not apply to the Notes]
	(b)	Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[ ] [and [ ], respectively] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Rate(s) of Interest:	[[ ] per cent. per annum payable in arrear on each Interest Payment Date] [*specify other in case of different Rates of*

[2] Note that for Renminbi denominated Fixed Rate Notes, where the Interest Payment Dates are subject to modification it will be necessary to use the second option here

			Interest in respect of different Interest Periods].
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Business Day Convention	[Modified Following Business Day Convention/Not Applicable] (*NB. For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*)
	(d)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form*)	[ ] per Calculation Amount *(N.B. Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)*
	(e)	Broken Amount(s): (*Applicable to Notes in definitive form*)	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(f)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(g)	Determination Date[s]:	[[ ] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
14.	Floating Rate Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	(f)	Screen Rate Determination:	
		– Reference Rate(s):	[[ ] month [LIBOR/EURIBOR/CMS Reference Rate]]/[CMS Rate]]
		– Relevant Financial	

Centre:

– Reference Currency: [London/Brussels/*specify other Relevant Financial Centre*] (*only relevant for CMS Rate*)

– Designated Maturity: [●] (*only relevant for CMS Rate*)

– Specified Time [●] (*only relevant for CMS Rate*)

[●] in the Relevant Financial Centre (*only relevant for CMS Rate*)

(i) Interest Determination Date(s): [ ]

(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR, euro LIBOR, or CMS Rate when the reference currency is euro)

(*In the case of a CMS Rate where the Reference Currency is euro*): [Second day on which the TARGET2 system is open prior to the start of each interest Period]

(*In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period*]

(ii) Relevant Screen Page: **[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]**

(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(*In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions*)

CMS Rate definitions: [Cap means [ ] per cent. per annum]

[Floor means [ ] per cent. per annum]

[Leverage means [ ] per cent.]

(g) ISDA Determination:

(i) Floating Rate Option: [ ]

(ii) Designated Maturity: [ ]

(iii) Reset Date: [ ]

(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of*

			each Interest Period and if otherwise to be checked.)
	(h)	Difference in Rates:	[Applicable]/[Not Applicable]
		– CMS Rate 1:	[ ]
		– Manner in which CMS Rate 1 is to be determined:	[Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination] (*N.B. Sub-paragraphs (vi) and (vii) above to be completed in relation toCMS Rate 1*)
		– CMS Rate 2:	[ ]
		– Manner in which Rate 2 is to be determined:	[Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination] (*N.B. Sub-paragraphs (vi) and (vii) above to be completed in relation to CMS Rate 1*)
	(i)	Margin(s):	[Not Applicable] [[+/-] [ ] per cent. per annum]
	(j)	Minimum Rate of Interest:	[ ] per cent. per annum
	(k)	Maximum Rate of Interest:	[ ] per cent. per annum
	(l)	Day Count Fraction:	[[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond basis] 30E/360 (ISDA)] (See Condition 6 for alternatives)
15.	Inflation Linked Interest Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Inflation Index:	[ ] (*Give or annex details of index/indices*)
	(b)	Inflation Index Sponsor:	[ ]
	(c)	Index Factor:	[ ] [*Specify the relevant Index Factor*] [Not Applicable]
	(d)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[*name*] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
	(e)	Determination Date(s):	[ ]
	(f)	Interest or calculation period(s):	[ ]

	(g)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(h)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] (*Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 7.8 (Payments Day).*)
	(i)	Additional Business Centre(s):	[ ]
	(j)	Minimum Rate of Interest:	[ ] per cent. per annum
	(k)	Maximum Rate of Interest:	[ ] per cent. per annum
	(l)	Margin:	[[*insert Margin*] per cent. per annum] [Not Applicable]
	(m)	Day Count Fraction:	[ ]
	(n)	Commencement Date of the Inflation Index:	[ ][*Specify the relevant commencement month of the retail price index*]
	(o)	Reference Month:	[ ]
	(p)	Reference Bond:	[ ]
	(q)	Related Bond:	[Applicable]/[Not Applicable] The Related Bond is: [ ] [Fallback Bond] The issuer of the Related Bond is: [ ]
	(r)	Fallback Bond:	[Applicable]/[Not Applicable]
	(s)	Cut-Off Date:	[As per Conditions]/[*specify other*]
	(t)	End Date:	[ ] (*This is necessary whenever Fallback Bond is applicable*)
	(u)	Additional Disruption Events:	[As per Conditions]/[*specify*]
	(v)	Trade Date:	[ ]
16.	Change of Interest Basis Provisions:		[Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) (*N.B. To be completed in addition to paragraphs 13 and 14 (as appropriate) if any fixed to floating or fixed reset rate change occurs*)

	(i)	Switch Option:	[Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable] (*N.B. The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 12 on or prior to the relevant Switch Option Expiry Date*)
	(ii)	Switch Option Expiry Date:	[ ]
	(iii)	Switch Option Effective Date:	[ ]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 8.2:		Minimum period: [ ] days Maximum period: [ ] days
19.	Issuer Call:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount][[Spens Amount][Make-whole Amount]] [*Set out appropriate variable details in this pro forma, for example reference obligation*]
	(c)	Reference Bond:	[Insert applicable Reference Bond/FA Selected Bond]
	(d)	Quotation Time:	[11.00 a.m. [London/specify other] time]
	(e)	Redemption Margin:	[[ ] per cent/Not Applicable]
	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]

		(ii) Maximum Redemption Amount:	[ ]
		Notice period:	Minimum period: [ ] days Maximum period: [ ] days (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)
20.	Regulatory Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*N.B. Only relevant in the case of Subordinated Notes*)
	(a)	Minimum Disqualification Amount	[ ] per cent. of the aggregate outstanding nominal amount of the Notes
	(b)	Early Redemption Amount payable on redemption for regulatory reasons (in the case of Subordinated Notes only and subject to the prior approval of the Bank of Italy and/or the Central Bank of Ireland, as applicable) as contemplated by Condition 8.3 and/or the method of calculating the same (if required or if different from that set out in Condition 8.6 (Redemption and Purchase – Early Redemption Amounts):	[[ ] per Calculation Amount/As per Condition 8.6]
21.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount
	(c)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for

		a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee).
22.	Early Redemption Amount payable on redemption for taxation reasons (as contemplated by Condition 8.2) or on event of default:	[[ ] per Calculation Amount/As per Condition 8.2] [See also paragraph 20 (Regulatory Call)] (*Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable*)
23.	RMB Currency Event:	[Applicable] [Not Applicable]
24.	Spot Rate :	(i) Relevant Spot Rate Screen Page: [●]/[Not Applicable] (ii) Relevant Valuation Time: [●]/[Not Applicable]
25.	Party responsible for calculating the Spot Rate:	[Calculation Agent]
26.	Relevant Currency:	[*specify*] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27.	Form of Notes		
	(a)	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for definitive Notes on and after the Exchange Date] [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Permanent Bearer Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[3]] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 1 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.*)

[3] Include for Notes that are to be offered in Belgium.

		[Registered Notes: Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]
	(b) New Global Note:	[Yes] [No]
28.	Additional Financial Centre(s):	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 14(c) relates)*
29.	[RMB Settlement Centre(s):	[Not Applicable/*give details*]
30.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[[*Relevant third-party information*] has been extracted from [*specify source*]. The Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [*name of the Issuer*]:	[Signed on behalf of UniCredit S.p.A.:
By:	By: .....
Duly authorised	*Duly authorised*
By:	By: .....
Duly authorised	*Duly authorised*]

Part B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING:**	[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading*)
	(a) Estimate of total expenses related to admission to trading:*	[ ]*

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Dealers/Managers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - Amend as appropriate if there are other interests]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

	(a) Estimated net proceeds:	[ ] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds*

insufficient to fund all proposed uses state amount and sources of other funding)

(b) Estimated total expenses: [ ]

[*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "use"*]

5. YIELD (Fixed Rate Notes only)

Indication of yield: [ ]

6. HISTORIC INTEREST RATES (Floating Rate Notes only)

[LIBOR/EURIBOR/CMS Reference Rate] rates can be obtained from [Reuters].

7. OPERATIONAL INFORMATION

(a)	ISIN Code:	[ ]
(b)	Common Code:	[ ]
(c)	[CUSIP: [●]]	[ ]
(d)	[CINS: [●]]	[ ]
(e)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
(f)	Delivery:	Delivery [against/free of] payment
(g)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(h)	Deemed delivery of clearing system notices for the purposes of Condition 17 (Notices):	Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
(i)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper.

Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

8. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/*give names*] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
(iii)	Date of [Subscription] Agreement:	[ ] [Not Applicable]
(iv)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
(v)	If non-syndicated, name and address of relevant Dealer:	[Not Applicable/*give name and address*]
(vi)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]

Applicable Pricing Supplement

APPLICABLE PRICING SUPPLEMENT

EXEMPT NOTES OF ANY DENOMINATIONS

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[Date]

[UniCredit S.p.A. / UniCredit Bank (Ireland) p.l.c. / UniCredit International Bank (Luxembourg) S.A.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[guaranteed by UniCredit S.p.A.]
under the
€60,000,000,000 Euro Medium Term Note Programme

Part A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 5 July 2013 [as supplemented by the supplement[s] dated [*date*[s]]] (the **Base Prospectus**). Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from [address].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Base Prospectus [dated [original date] which are incorporated by reference in the Base Prospectus].[1]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]

1.	(a)	Issuer:	UniCredit S.p.A./UniCredit Bank Ireland p.l.c./UniCredit International Bank (Luxembourg) S.A.
	(b)	Guarantor:	UniCredit S.p.A.
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with *[identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the

[1] Only include this language where it is a fungible issue and the original Tranche was issued under an Base Prospectus with a different date.

			Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (if applicable)]
6.	(a)	Specified Denominations:[2]	[ ]
	(b)	Calculation Amount:	[ ] (If only one Specified Denomination, insert the Specified Denomination If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8.	Maturity Date:		[ ]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[specify Reference Rate] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [Inflation Linked Interest] [specify other] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption]

[2] Notes to be issued by UniCredit Ireland with a minimum maturity of two years which are not listed on a stock exchange must have a minimum denomination of €500,000 or its equivalent at date of issuance. Notes to be issued by UniCredit Ireland which are not listed on a stock exchange and which mature within two years must have a minimum denomination of €500,000 or US$500,000 or, in the case of Notes which are denominated in a currency other than euro or U.S. dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of first publication of this programme).

			[Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:		[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there] [Not Applicable]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(a)	Status of the Notes:	[Senior/ Subordinated] [The loss absortion provisions set out in Condition 5.5 shall not apply to the Notes]
	(b)	Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[ ] [and [ ], respectively] (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date (Amend appropriately in the case of irregular coupons)
	(c)	Fixed Coupon Amount(s): (Applicable to Notes in definitive form)	[ ] per Calculation Amount
	(d)	Broken Amount(s): (Applicable to Notes in definitive form)	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/specify other]
	(f)	Determination Date[s]:	[[ ] in each year][Not Applicable] (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest

			payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
15.	Floating Rate Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	(f)	Screen Rate Determination:	
		(i) Reference Rate:	Reference Rate: [ ] month [LIBOR/EURIBOR/CMS Reference Rate].
		(ii) Interest Determination Date(s):	[ ] (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
		(iii) Relevant Screen Page:	**[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]** (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
	(g)	ISDA Determination:	
		(i) Floating Rate Option:	[ ]
		(ii) Designated Maturity:	[ ]
		(iii) Reset Date:	[ ]

			(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
	(h)	Margin(s):	[+/-] [ ] per cent. per annum
	(i)	Minimum Rate of Interest:	[ ] per cent. per annum
	(j)	Maximum Rate of Interest:	[ ] per cent. per annum
	(k)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) *Other*] (See Condition 6 for alternatives)
	(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:	[ ]
16.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365] [*specify other*]
17.	Index Linked Interest Note		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent	[*give name*]
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest	[ ]

		Amount (if not the Agent):	
	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[need to include a description of market disruption or settlement disruption events and adjustment provisions]
	(e)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
	(g)	Additional Business Centre(s):	[ ]
	(h)	Minimum Rate of Interest:	[ ] per cent. per annum
	(i)	Maximum Rate of Interest:	[ ] per cent. per annum
	(j)	Day Count Fraction:	[ ]
18.	Dual Currency Interest Note Provisions		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]
19.	Credit Linked Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph) Capitalised terms used herein and not otherwise defined herein or in the Conditions shall have the meaning set out in the Definitions as provided in 9.15 of the Conditions.
	(a)	Reference Period:	The period commencing at or after 12.01 a.m., London time on (and including) the earlier of [the day following the Trade Date – *please insert date*] [Issue Date] and the Credit Event Backstop Date and ending at or prior to 11.59 p.m., London time on (and including, subject as provided

		below) the [Scheduled Maturity Date] [if other period applicable, delete previous sentence and insert applicable provisions]
(b)	Redemption Date:	[ ]
(c)	Scheduled Maturity Date:	[Maturity Date unless otherwise specified]
(d)	Credit Event Cut-Off Date	[ ] [Not Applicable]
(e)	Reference Entity:	[ ] Section 2.31 (Merger of Reference Entity and Seller) of the Definitions shall not apply to the Notes.
(f)	Reference Obligation(s):	The obligation[s]] identified as follows: Primary Obligor: [ ] Guarantor: [ ] Maturity: [ ] Coupon: [ ] CUSIP/ISIN: [ ] [Where more than one Reference Entity – Each Reference Obligation as set out in Appendix [ ] (Reference Portfolio).] [ ] First to Default Credit Linked Note [Applicable/Not Applicable] Linear Basket Credit Linked Note [Applicable/Not Applicable (if applicable, specify weighting of Basket)]
(g)	Substitute Reference Obligation(s):	[As per the definition contained in Condition 9]/[*give details*]]
(h)	All Guarantees:	[Applicable/Not Applicable]
(i)	Obligation:	Obligation Category: [*select one only*] [Payment] [Borrowed Money] Reference Obligation]

[Bond]

[Loan]

[Bond or Loan]

Obligation Characteristics:[*select all of which apply*]

[Not Subordinated]

[Specified Currency]

[*specify currency*]

[Not Sovereign Lender]

[Not Domestic Law]

[Listed]

[Not Domestic Issuance]

Excluded Obligations: [None]

(j) Grace Period: [The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, three days]

(k) Maturity Date Extension: [Applicable]

(l) Credit Events: [Bankruptcy

Failure to Pay

Grace Period Extension: [Applicable/Not Applicable]

If Applicable, Grace Period [ ][30 calendar days]/[other]]

Obligation Acceleration Obligation Default Repudiation/Moratorium Restructuring:

[Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]

[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable] [Multiple Holder Obligation:

		Applicable]][3]
(m)	Additional Credit Events:	[ ] [*specify- e.g. any trigger event*] [if applicable, give details including all operative provisions]
(n)	Payment Requirement:	[Applicable/Not Applicable] [*specify*] (If not specified, Payment Requirement will be US$1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable)
(o)	Default Requirement:	[Applicable/Not Applicable] [*specify*] (If not specified, Default Requirement will be US$10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event)
(p)	Conditions to Settlement (if any):	Notice of Publicly Available Information: [Applicable/Not Applicable] [Specified Number: [ ] (if applicable and not specified, it shall be two)] [Public Source(s): [●]]
(q)	Settlement:	[Auction/Cash/Physical] Settlement (please specify) [*If Auction Settlement is specified, complete both the Auction Settlement provisions below and the provisions relating to the relevant Fallback Settlement Method*] [*If Cash Settlement or Physical Settlement is specified, specify if the Issuer has the option to vary the Settlement Method in accordance with the Credit Linked Conditions and if this is the case complete both the Cash Settlement and Physical Delivery provisions below*]

[3] Delete as appropriate.

		(if Auction Settlement is applicable, insert the following)
(i)	Fallback Settlement Method:	[Cash Settlement/Physical Settlement] *[If the Issuer has the option to vary the Fallback Settlement Method in accordance with the Credit Linked Conditions this should be specified here and if this is the case both the Cash Settlement and the Physical Delivery provisions in this paragraph should be completed in addition to these Auction Settlement provisions*]
(ii)	Auction Settlement Method:	Auction Final Price [*specify the applicable calculation formula*]
(iii)	Business Day Convention:	[Following/Modified Following/Preceding]
(iv)	subject to adjustment in accordance with Business Day Convention:	[Yes/No]
(v)	Limitation Dates subject to adjustment in accordance with Business Day Convention:	[Yes/No]
(vi)	Hedging Arrangement Notifying Party:	[Buyer/Seller/Buyer or Seller]
		(if Physical Settlement applies, include the following:)
(vii)	Asset Amount:	[Exclude Accrued Interest]
(viii)	Deliverable Obligations:	Deliverable Obligation Category: [ ] Deliverable Obligation Characteristics: Not Subordinated/Specified Currency/Standard Specified Currencies/Not Sovereign Lender/Not Domestic Currency/Not Domestic Law/Listed/Not Contingent/Not Domestic Issuance/Assignable Loan/Consent Required Loan/Transferable/Maximum Maturity [30 years]/Accelerated or Matured/Not Bearer/Other] Excluded Obligations: [None]
(ix)	Physical Settlement Period:	The longest number of Business Days for settlement in accordance with the then current market practice of any Deliverable Obligation being delivered, as determined by the Calculation Agent, subject to a minimum of [30/90/120/*other*] Business Days following the satisfaction of all

		Conditions to Settlement
(x)	Number of calendar days' notice (Notice of Physical Settlement):	[zero/five/*specify number*] days [*insert number of calendar days prior to Physical Settlement Date*]
(xi)	Physical Settlement Date:	The date within the Physical Settlement Period upon which all the Deliverable Obligations specified in the Notice of Physical Settlement are delivered; provided that if on the last day of the Physical Settlement Period the Deliverable Obligations specified in the Notice of Physical Settlement cannot be delivered due to any reason as set out in Conditions 9.5, 9.6, 9.7, and 9.9 (Partial Cash Settlement Terms), the Physical Settlement Date shall be the last day of the Physical Settlement Period. [The Issuer may extend the Physical Settlement Date to such date that the Calculation Agent in its sole discretion designates (the Extended Physical Settlement Date). The Extended Physical Settlement Date shall not, however, be later than [ ] Business Days after the Physical Settlement Date.][4]
(xii)	Latest Permissible Physical Settlement Date:	[[*specify number*] days after the final day of the Physical Settlement Period]
(xiii)	Swap Unwind Amount:	[Applicable/Not Applicable]
		(if Cash Settlement applies, insert the following:)
(xiv)	Valuation Date:	[ ]
(xv)	Quotation Method:	[ ]
(xvi)	Quotation Amount:	[ ]
(xvii)	Cash Settlement Date:	As set out in the Conditions (*specify other*)
(xviii)	Cash Settlement Amount:	As set out in the Conditions (*specify other*)
(xix)	Quotation:	[ ]
(xx)	Valuation Method for determination of Final Price:	[Exclude Accrued Interest/Include Accrued Interest] (set out ISDA valuation method or other valuation method in full)
(xxi)	Swap Unwind Amount:	[Applicable/Not Applicable]

[4] To be inserted if the underlying hedge provides for the Buy-in provisions in the 2003 ISDA Credit Derivatives Definitions.

(xxii) Valuation Obligations:

(1)	Valuation Obligation Category:	[*select only one]* [Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan] [Standard Terms]
(2)	Valuation Obligation Characteristics	Not Subordinated Credit Linked Specified Currency: (*specify currency*]/[Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency means: (*specify currency*)] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Participation Loan] [Qualifying Participation Seller: [ ] (*insert details*)] [Transferable] [Maximum Maturity: [ ]] [Accelerated or Matured] [Not Bearer]

[Standard Terms]

(xxiii)	Valuation Obligation Determination Period:	[ ]
(xxiv)	Additional Valuation Obligations:	[ ]
(xxv)	Excluded Valuation Obligations:	[ ]
(xxvi)	Valuation Date:	[ ]
(xxvii)	Valuation Time:	[ ]
(xxviii)	Quotation Method:	[ ]
(xxix)	Quotation Amount:	[ ]
(xxx)	Cash Settlement Date:	As set out in the Conditions (*specify other*)

PROVISIONS RELATING TO REDEMPTION

20.	Notice periods for Condition 8.2:	Minimum period: [ ] days Maximum period: [ ] days
21.	Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount:	[ ] per Calculation Amount
	(iii) Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee).
22.	Regulatory Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*N.B. Only relevant in the case of Subordinated Notes*)

	(a) Minimum Disqualification Amount	[ ] per cent. of the aggregate outstanding nominal amount of the Notes
	(b) Early Redemption Amount payable on redemption for regulatory reasons (in the case of Subordinated Notes only and subject to the prior approval of the Bank of Italy and/or the Central Bank of Ireland, as applicable) as contemplated by Condition 8.3 and/or the method of calculating the same (if required or if different from that set out in Condition 8.6 (Redemption and Purchase – Early Redemption Amounts):	[[ ] per Calculation Amount/ As per Condition 8.6]
23	Final Redemption Amount:	[ ]/[100 per cent.] per Calculation Amount
24.	Early Redemption Amount payable on redemption for taxation reasons (as contemplated by Condition 8.2) or on event of default:	[ ] per Calculation Amount [See also paragraph 20 (Regulatory Call)] (*Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	
	(a) Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for definitive Notes on and after the Exchange Date] [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Permanent Bearer Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[5]] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 1 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation*

[5] Include for Notes that are to be offered in Belgium.

		to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.) [Registered Notes: Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]
	(b) New Global Note:	[Yes] [No]
26.	Additional Financial Centre(s):	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraphs 16(b) relates)*
27.	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement. [[Relevant third party information] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of [name of the Issuer]:	[Signed on behalf of UniCredit S.p.A.:
By:	By: .....
Duly authorised	Duly authorised
By:	By: .....
Duly authorised	Duly authorised]

Part B – OTHER INFORMATION

1. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - Amend as appropriate if there are other interests]

3. [USE OF PROCEEDS

Use of Proceeds:	[●]
	(Only required if the use of proceeds is different to that stated in the Offering Circular)

4. OPERATIONAL INFORMATION

(i)	ISIN Code:	ISIN Code:
(ii)	Common Code:	Common Code:
(iii)	[CUSIP: [●]]	[ ]
(iv)	[CINS: [●]]	[ ]
(v)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):
(vi)	Delivery:	Delivery:
(vii)	Names and addresses of additional Paying Agent(s) (if any):	Names and addresses of additional Paying Agent(s) (if any):
(viii)	Deemed delivery of clearing system notices for the purposes of Condition 17:	Deemed delivery of clearing system notices for the purposes of Condition 17:
(ix)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such

recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosytem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

5. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/*give names*] (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
(iii)	Date of [Subscription] Agreement:	[ ] [Not Applicable]
(iv)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
(v)	If non-syndicated, name and address of relevant Dealer:	[Not Applicable/*give name and address*]
(vi)	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]

Terms and Conditions of the Notes

Any reference in the Terms and Conditions to "applicable Final Terms" or "Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" or "Pricing Supplement" where relevant in the case of Exempt Notes.

The following are the Terms and Conditions of the Notes which will be attached to or (in the case of Notes issued by UniCredit Ireland) incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange, the competent authority or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes constituted by an Eighth Amended and Restated Trust Deed (such Eighth Amended and Restated Trust Deed, as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 5 July 2013 and made between UniCredit S.p.A. (**UniCredit** or the **Parent**), UniCredit Bank Ireland p.l.c. (**UniCredit Ireland**), UniCredit International Bank (Luxembourg) S.A. (**UniCredit International Luxembourg**) and Citicorp Trustee Company Limited as trustee for the time being for the Noteholders (the **Trustee**, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed), and issued by UniCredit or UniCredit Ireland or UniCredit International Luxembourg (or any other company which has become an issuer under the Programme and the Trust Deed in accordance with Condition 19) as indicated in the applicable Final Terms (each of them, the **Issuer**, which expression shall include any company substituted in place of the Issuer in accordance with Condition 19). The terms of the guarantee applicable to the Notes issued by UniCredit Ireland and UniCredit International Luxembourg and provided by UniCredit (in its capacity as guarantor of Notes issued by UniCredit Ireland and UniCredit International Luxembourg, the **Guarantor**, which expression shall include any company substituted in place of the Guarantor in accordance with Condition 19) are contained in the Trust Deed. These terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Registered Notes, Coupons, Receipts and Talons referred to below. References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Definitive Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) definitive Notes in registered form (**Definitive Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of a Eleventh Amended and Restated Agency Agreement dated 5 July 2013 (such Eleventh Amended and Restated Agency Agreement, as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between UniCredit, UniCredit Ireland, UniCredit International Luxembourg, the Guarantor, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as exchange agent (the **Exchange Agent** which expression shall include any successor exchange agent) and Citigroup Global Markets Deutschland AG as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the

other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes) attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an **Exempt Note**), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the applicable Final Terms are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note or to the applicable Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and a deed poll dated 5 July 2013 (the **Deed Poll**) and executed by UniCredit, UniCredit Ireland and UniCredit International Luxembourg are available for inspection during normal business hours at the principal office for the time being of the Trustee being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the **Agents**) and the Luxembourg Listing Agent as long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity unless the regulations of the relevant stock exchange require otherwise. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms or applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, an Inflation Linked Interest Note, a Zero Coupon Note or a CMS Linked Interest Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note, a Credit Linked Interest Note, an Extendible Note (each as hereinafter defined), or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Extendible Note, as specified in the applicable Final Terms, it will be a Note issued by UniCredit Ireland or UniCredit International Luxembourg and there will be an option exercisable by the Noteholder to extend the original Maturity Date of such note. The applicable Final Terms will set forth the number of periods for which the maturity of such Note is extendible, the date beyond which the final maturity may not be extended and the procedure for notification of such extension.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, a Credit Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may also be a Senior Note issued by UniCredit, UniCredit Ireland or UniCredit International Luxembourg, a Subordinated Note issued by UniCredit or UniCredit Ireland, as indicated in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Trust Deed and the Agency Agreement. The Issuer, the Guarantor (in the case of Guaranteed Notes), the Paying Agents and the Trustee will (except as otherwise required by law or as otherwise required by a court of competent jurisdiction or a public official authority) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), and/or the Depositary Trust Company (**DTC**) or its nominee, each person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer, the Guarantor (in the case of Guaranteed Notes) the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor (in the case of Guaranteed Notes) any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the

terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be.

References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B the applicable Final Terms, provided that, in the case of the Notes issued in NGN form, such additional or alternative clearing system must also be authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered

Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2.5, 2.6 and 2.7 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (with the prior written approval of the Trustee) (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office or the specified office of a Transfer Agent to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form, duly authenticated by the Registrar, of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(a) upon receipt by the Registrar of a written certification substantially in the form set out in the Trust Deed, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

(i) to a person whom the transferor reasonably believes to be a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) to a person who is an Institutional Accredited Investor, together with, in the case of (ii), a duly executed investment letter from the relevant transferee substantially in the form set out in the Trust Deed (an **IAI Investment Letter**); or

(b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (a)(i) above, such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (a)(ii) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (B) such certification requirements will no longer apply to such transfers.

2.6 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately through Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Legended Note:

(i) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(ii) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Legended Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.7 Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.8 Transfer of Registered Notes issued by UniCredit International Luxembourg

Notwithstanding anything to the contrary in this Condition 2, Notes in registered form issued by UniCredit International Luxembourg will be numbered serially with an identifying number which will be recorded in the register of the Noteholders of UniCredit International Luxembourg held at the registered office of UniCredit International Luxembourg and a copy of which (at all times in an up-to-date version) is held by the Registrar.

In the case of discrepancy between the register of the Noteholders of UniCredit International Luxembourg held by the Registrar and the register kept by UniCredit International Luxembourg, the registrations in the register held by UniCredit International Luxembourg shall prevail for Luxembourg law purposes.

2.9 Definitions

In this Condition, the following expressions shall have the following meanings:

Distribution Compliance Period means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

Institutional Accredited Investor means accredited investors (as defined in Rule 501(a) (1), (2), (3) or (7) under the Securities Act) that are institutions;

Legended Note means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **Legend**);

QIB means a "qualified institutional buyer" within the meaning of Rule 144A as defined below; **Regulation S** means Regulation S under the Securities Act;

Regulation S Global Note means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

Rule 144A Global Note means a Registered Global Note representing Notes sold in the United States or to QIBs; and

Securities Act means the United States Securities Act of 1933, as amended.

3. GUARANTEED NOTES

This Condition 3 applies only to Notes specified in the applicable Final Terms as being Guaranteed Notes.

If the Notes are specified in the applicable Final Terms to be guaranteed (**Guaranteed Notes**), the Guarantor has unconditionally and irrevocably guaranteed the due performance of all payment and other obligations of the Issuer under the Notes, Receipts and Coupons, these Conditions and the Trust Deed. The obligations of the Guarantor in this respect (the **Guarantee**) are contained in the Trust Deed.

4. STATUS OF THE SENIOR NOTES AND THE SENIOR GUARANTEE

This Condition 4 applies only to Notes specified in the applicable Final Terms as Senior and being Senior Notes.

The Senior Notes and any relative Receipts and Coupons and (in the case of Guaranteed Notes) the obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and the Guarantor respectively, ranking equally (subject to any obligations preferred by any applicable law) with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer and the Guarantor respectively, present and future and, in the case of the Senior Notes, *pari passu* and rateably without any preference among themselves. Any payment by the Guarantor under the Guarantee shall (to the extent of such payment) extinguish the corresponding debt of the Issuer.

5. STATUS OF THE SUBORDINATED NOTES AND THE SUBORDINATED GUARANTEE

This Condition 5 applies only to Notes specified in the applicable Final Terms as Subordinated and being Subordinated Notes.

Condition 5.1 applies only to Subordinated Notes issued by UniCredit, Condition 5.2 applies only to the Subordinated Guarantee in respect of UniCredit Ireland Subordinated Notes and Condition 5.3 applies only in relation to Subordinated Notes issued by UniCredit Ireland (together referred to in these Conditions also as **UniCredit Ireland Subordinated Notes**).

5.1 Status of Subordinated Notes issued by UniCredit

(a) Subordinated Notes (*passività subordinate di 2º livello*, as defined in Title I, Chapter 2, Section II, paragraph 4.2 of the Regulations of the Bank of Italy (*Istruzioni di Vigilanza della Banca d'Italia*) and Bank of Italy Circular No.263 of 27 December 2006 as amended and supplemented (the **Bank of Italy Regulations**) or in any provision which, from time to time, amends or replaces such definition) and any relative Receipts and Coupons constitute unconditional, unsecured and subordinated obligations of UniCredit and rank *pari passu* without any preference among themselves.

(b) In the event of the winding-up, dissolution, liquidation or bankruptcy of UniCredit or in the event that UniCredit becomes subject to an order for *Liquidazione Coatta Amministrativa*, as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as amended (the **Italian Banking Act**) the payment obligations of UniCredit under the Subordinated Notes and the relative

Receipts and Coupons will rank in right of payment after unsubordinated unsecured creditors (including depositors) of UniCredit and after all creditors of UniCredit holding instruments which are less subordinated than the relevant Subordinated Notes but at least *pari passu* with all other subordinated obligations of UniCredit which do not rank or are not expressed by their terms to rank junior or senior to the relevant Subordinated Notes and in priority to the claims of shareholders of UniCredit.

(c) In relation to each Series of Subordinated Notes all Subordinated Notes of such Series will be treated equally and all amounts paid by UniCredit in respect of principal and interest thereon will be paid *pro rata* on all Subordinated Notes of such Series.

(d) Each holder of a Subordinated Note unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Subordinated Note.

5.2 Status of the Subordinated Guarantee

The obligations of UniCredit in respect of each Series of UniCredit Ireland Subordinated Notes (the **Subordinated Guarantee**) constitute direct, unsecured and subordinated obligations of UniCredit.

All amounts paid by UniCredit under the Subordinated Guarantee in respect of principal and interest on each Series of Subordinated Notes issued by UniCredit Ireland will be paid *pro rata* on all Subordinated Notes issued by UniCredit Ireland of such Series.

In the event of the winding-up, dissolution, liquidation or bankruptcy of UniCredit or in the event that UniCredit becomes subject to an order for *Liquidazione Coatta Amministrativa*, as defined in the Italian Banking Act, the payment obligations of UniCredit under the Subordinated Guarantee shall rank in right of payment after unsubordinated unsecured creditors (including depositors) of UniCredit but at least *pari passu* with all other present and future subordinated obligations of UniCredit of the same nature and in priority to the claims of shareholders of UniCredit.

5.3 Status of Subordinated Notes issued by UniCredit Ireland

(a) Subordinated Notes and any related Coupons constitute unconditional and unsecured obligations of UniCredit Ireland subordinated as described in Condition 5.4. Notes of each Series of Lower Tier II (or, as appropriate, Tier 2) Subordinated Notes will rank *pari passu* without any preference among themselves.

(b) In relation to each Series of UniCredit Ireland Subordinated Notes, all UniCredit Ireland Subordinated Notes of such Series will be treated equally and all amounts paid by UniCredit Ireland in respect of principal and interest thereon will be paid pro rata on all UniCredit Ireland Subordinated Notes of such Series.

(c) Each holder of a UniCredit Ireland Subordinated Note unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy that it might otherwise have, under the laws of any jurisdiction, in respect of such UniCredit Ireland Subordinated Note.

(d) The repayment of principal and the payment of interest in respect of UniCredit Ireland Subordinated Notes are obligations of UniCredit Ireland.

5.4 Special Provisions relating to Subordinated Notes of UniCredit Ireland

In the event of a bankruptcy, examinership or liquidation of UniCredit Ireland, claims against UniCredit Ireland in respect of Subordinated Notes (**Subordinated Claims**) will rank:

(a) after claims of all unsubordinated creditors and claims of all subordinated creditors whose claims are less subordinated than the Subordinated Claims;

(b) *pari passu* with all claims of subordinated creditors that have the same degree of subordination as the Subordinated Claims;

(c) ahead of all claims of subordinated creditors that are more subordinated than the Subordinated Claims and all claims in respect of the share capital of UniCredit Ireland.

All claims of subordinated creditors that have the same degree of subordination as the Subordinated Claims will be satisfied together and pro rata with the holders of the Subordinated Subordinated Notes, without any preference or priority.

5.5 Special Provisions relating to obligations of the Issuer under the Subordinated Notes

If specified in the relevant Final Terms, the Subordinated Notes (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest) may be subject to loss absorption in accordance with the powers of the Bank of Italy in the case of Subordinated Notes issued by UniCredit and of the Central Bank of Ireland and the Bank of Italy (where applicable or required) in the case of Subordinated Notes issued by UniCredit Ireland or of any other authority or authorities having oversight of the relevant Issuer at the relevant time (the relevant **Competent Authority**) if the relevant Competent Authority determines that loss absorption of the Subordinated Notes is necessary pursuant to applicable law and/or regulation in force from time to time.

6. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes, Inflation Linked Interest Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

6.1 Interest on Fixed Rate Notes

This Condition 6.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), any applicable Business Day Convention, the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (but excluding) the Maturity Date. The Rate of Interest may be specified in the applicable Final Terms either (i) as the same Rate of Interest for all Interest Periods or (ii) as a different Rate of Interest in respect of one or more Interest Periods.

In respect of Notes which are denominated in Renminbi, if the Business Day Convention is specified as the Modified Following Business Day Convention in the applicable Final Terms or Pricing Supplement, as the case may be, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the cases of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable

Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such subunit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amount (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 6.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would normally occur in one calendar year;

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(c) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(d) If "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In the Conditions:

Business Day means a day which is both:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and

(ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant RMB Settlement Centre(s).

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Inflation Linked Interest Notes

(a) Interest Payment Dates

This Condition 6.2 applies to Floating Rate Notes and Inflation Linked Interest Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and inflation linked rate interest and must be read in conjunction with this Condition 6.2 for full information on the manner in which interest is calculated on Floating Rate Notes, or, as appropriate, Inflation Linked Interest Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest (applicable to Floating Rate Notes only), the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where, in the case of Floating Rate Notes, ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note and Inflation Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls in the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified as:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*

(B) or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(C) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(D) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(E) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions:

Business Day means a day which is both:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and

(ii) either (a) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and the relevant RMB Settlement Centre(s), respectively) or (b) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

RMB Settlement Centre(s) means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms or Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong.

(b) Rate of Interest – Floating Rate Notes

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions.Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes (other than CMS Linked Interest Notes)*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate (**LIBOR**) or the Euro-zone interbank offered rate (**EURIBOR**), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if no offered quotation appears or, in the case of fewer than three such offered quotations appears, in each case as at the Specified Time, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which

applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(iii) *Screen Rate Determination for Floating Rate Notes which are CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be:

(A) where "CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

(B) where "Leveraged CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Leverage x CMS Rate

(C) where "Steepner CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Either:

(a) where "Steepner CMS Reference Rate: Unleveraged" is specified in the applicable Final Terms:

CMS Rate 1 – CMS Rate 2

or

(b) where "Steepner CMS Reference Rate: Leveraged" is specified in the applicable Final Terms:

Leverage x [(Min (CMS Rate 1; Cap – CMS Rate 2)] + Margin

(D) where "Call Spread CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Leverage x Min [Max (CMS Rate + Margin; Floor); Cap]

For the purposes of this sub-paragraph (B):

CMS Rate shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, as published on Reuters Page ISDAFIX2, Euribor basis, fixed at 11:00 AM CET on the relevant Determination Date, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If at least three of the Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date less than three or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in good faith on such

commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice;

CMS Rate 1 and **CMS Rate 2** shall mean the CMS Rate with a particular Designated Maturity as specified in the relevant Final Terms;

Cap means a percentage per annum as specified in the relevant Final Terms;

Floor means a percentage per annum as specified in the relevant Final Terms;

Leverage means a percentage number as specified in the relevant Final Terms;

Margin means a percentage per annum as specified in the relevant Final Terms;

Reference Banks means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London interbank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent;

Relevant Swap Rate means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semiannual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

(iv) where the Reference Currency is any other currency of if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time; and

Reuters Page ISDAFIX2 means, in respect of a CMS Linked Notes, whichever of the Reuters Screen ISDAFIX pages designated for purposes of displaying par swap rates for swaps in the currency of denomination of the relevant issue of CMS-Linked Notes.

(c) Rate of Interest – Inflation Linked Interest Notes

The Rate of Interest payable from time to time in respect of Inflation Linked Interest Notes, for each Interest Period, shall be determined by the Calculation Agent, or other party specified in the Final Terms, on the relevant Determination Date in accordance with the following formula:

Rate of Interest = [[*Index Factor*]**YoY Inflation*] + *Margin*

subject to the Minimum Rate of Interest or the Maximum Rate of Interest if, in either case, designated as applicable in the applicable Final Terms in which case the provisions of paragraph (d) below shall apply as appropriate.

The Rate of Interest shall be rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

Definitions

For the purposes of the Conditions:

Index Factor has the meaning given to it in the applicable Final Terms, provided that if Index Factor is specified as "Not Applicable", the Index Factor shall be deemed to be equal to one;

Inflation Index has the meaning given to it in the applicable Final Terms;

Inflation Index (t) means the value of the Inflation Index for the Reference Month in the calendar year in which the relevant Specified Interest Payment Date falls;

Inflation Index (t-1) means the value of the Inflation Index for the Reference Month in the calendar year preceding the calendar year in which the relevant Specified Interest Payment Date falls;

Margin has the meaning given to it in the applicable Final Terms;

Reference Month has the meaning given to it in the applicable Final Terms; and

YoY Inflation (t) means in respect of the Specified Interest Payment Date falling in month (t), the value calculated in accordance with the following formula:

$$\left[\frac{InflationIndex(t)}{InflationIndex(t-1)}-1\right]$$

(d) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (a) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) Change of Interest Basis

If Change of Interest Basis is specified as applicable in the applicable Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 6.1 or Condition 6.2 above, each applicable only for the relevant periods specified in the applicable Final Terms.

If Change of Interest Basis is specified as applicable in the applicable Final Terms, and Issuer's Switch Option is also specified as applicable in the applicable Final Terms, the Issuer may, on one or more occasions, as specified in the applicable Final Terms, at its option (any such option, a **Switch Option**), having given notice to the Noteholders in accordance with Condition 17 on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the applicable Final Terms with effect from (and including) the Switch Option Effective Date specified in the applicable Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective form (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the applicable Final Terms provided that any date specified in the applicable Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified to the Issuer pursuant to this Condition and in accordance with Condition 17 prior to the relevant Switch Option Expiry Date.

(f) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Inflation Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Inflation Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or, as appropriate, an Inflation Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

Calculation Agent means the entity designated for such purpose as is specified in the applicable Final Terms.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period:

(A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(G) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (I) that day is the last day of February or (II) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (I) that day is the last day of February but not the Maturity Date or (II) such number would be 31 and in which case D_2 will be 30.

(g) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Luxembourg Stock Exchange at the latest on the first London Business Day of each Interest Period, the Issuer and any stock exchange on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 17 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 17. For the purposes of this paragraph (f), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(h) Determination or Calculation by Trustee

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with paragraph (b) or (e) above, as the case may be, and in each case in accordance with paragraph (c) above, the Trustee may (without any liability for loss, damage, cost, expense or any other claim whatsoever) determine the Rate of Interest at such rate plus or minus (as appropriate) the relevant margin (if any) as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 6.2, but subject always to paragraph (b) above, it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee may (without any liability for loss, damage, cost, expense or any other claim whatsoever) calculate the Interest Amount(s) in the manner referred to in paragraph (e) above, and such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(i) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 by the Principal Paying Agent or, if applicable, the Calculation Agent, or, if applicable, the Trustee, shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, the Guarantor (in the case of the Guaranteed Notes), the Trustee, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Inflation Linked Interest Note Provisions

Unless previously redeemed or purchased and cancelled in accordance with this Condition 6.3 or as specified in the applicable Final Terms and subject to this Condition 6.3, each Inflation Linked Interest Note will bear interest in the manner specified in the applicable Final Terms and the Conditions.

The following provisions apply to Inflation Linked Interest Notes:

Additional Disruption Event means any of Change of Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms, and such other events (if any) specified as an Additional Disruption Event in the applicable Final Terms.

Change in Law means that, on or after the Trade Date (as specified in the applicable Final Terms):

(a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or

(b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),

the Calculation Agent determines in its discretion that (i) it has become illegal to hold, acquire or dispose of any relevant hedging arrangements in respect of the Inflation Index, (ii) any Hedging Party will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, any of its Affiliates or any other Hedging Party), or (iii), if the Notes are Guaranteed Notes, the performance of the Guarantor under the Guarantee has become unlawful.

Cut-Off Date means, in respect of a Determination Date, five (5) Business Days prior to any due date for payment under the Notes for which valuation on the relevant Determination Date is relevant, unless otherwise stated in the applicable Final Terms.

Delayed Index Level Event means, in respect of any Determination Date and an Inflation Index, that the relevant Inflation Index Sponsor fails to publish or announce the level of such Inflation Index (the **Relevant Level**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

Determination Date means each date specified as such in the applicable Final Terms.

End Date means each date specified as such in the applicable Final Terms.

Fallback Bond means, in respect of an Inflation Index, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the relevant Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the End Date specified in the applicable Final Terms, (b) the next longest maturity after the End Date if there is no such bond maturing on the End Date, or (c) the next shortest maturity before the End Date if no bond defined in (a) or (b) is selected by the

Calculation Agent. If the relevant Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but notwithstanding the immediately prior sentence, selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

Hedging Disruption means that any Hedging Party is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the relevant price risk of the Issuer (or the Guarantor (as appropriate)) issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by the Calculation Agent.

Hedging Party means at any relevant time, the Issuer, or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Notes as the Issuer may select at such time.

Increased Cost of Hedging means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, price risk, foreign exchange risk and interest rate risk) of the Issuer (or, if the Notes are Guaranteed Notes, the Guarantor (as appropriate)) issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

Inflation Index means each inflation index specified in the applicable Final Terms and related expressions shall be construed accordingly.

Inflation Index Sponsor means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index which, as of the Issue Date, is the Inflation Index Sponsor specified in the applicable Final Terms.

Reference Month means the calendar month for which the level of the Inflation Index is reported as specified in the applicable Final Terms, regardless of when this information is published or announced, except that if the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level is reported.

Related Bond means, in respect of an Inflation Index, the bond specified as such in the applicable Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then, for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond. If a bond is specified as the Related Bond in the applicable Final Terms and that bond redeems or matures before the End Date (i) unless "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination and (ii) if "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond.

Relevant Level has the meaning set out in the definition of "Delayed Index Level Event" above.

Inflation Index Delay And Disruption Provisions

(a) Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level for such Inflation Index with respect to the relevant Reference Month subject to such Delayed Index Level Event (the **Substitute Index Level**) shall be determined by the Calculation Agent as follows:

(i) if "Related Bond" is specified as applicable for such Inflation Index in the relevant Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the relevant Related Bond;

(ii) if (I) "Related Bond" is not specified as applicable for such Inflation Index in the relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

(iii) otherwise in accordance with any formula specified in the relevant Final Terms,

in each case as of such Determination Date,

where:

Base Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

Latest Level means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

Reference Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall give notice to Noteholders, in accordance with Condition 17 (*Notices*) of any Substitute Index Level calculated pursuant to Condition 6.3.

If the Relevant Level (as defined above) is published or announced at any time on or after the relevant Cut-off Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 6.3 will be the definitive level for that Reference Month.

(b) Cessation of Publication

If the Calculation Agent determines that the level for the Inflation Index has not been published or announced for two (2) consecutive months, the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index or the Inflation Index Sponsor otherwise cancels the Inflation Index, then the Calculation Agent shall determine a successor inflation index (the **Successor Inflation Index**) (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Linked Interest Notes by using the following methodology:

(i) if at any time (other than after an early redemption or cancellation event has been designated by the Calculation Agent pursuant to Condition 6.3(b)(v) below), a successor inflation index has been designated by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, such successor inflation index shall be designated a "Successor Inflation Index" notwithstanding that any other Successor Inflation Index may previously have been determined under Conditions 6.3(b)(ii), 6.3(b)(iii) or 6.3(b)(iv) below;

(ii) if a Successor Inflation Index has not been determined pursuant to Condition 4(b)(i) above, and a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for purposes of the Inflation Linked Interest Notes from the date that such replacement Inflation Index comes into effect;

(iii) if a Successor Inflation Index has not been determined pursuant to Conditions 6.3(b)(i) or 6.3(b)(ii) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If four or five responses are received and, of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If three responses are received and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If fewer than three responses are received or no Successor Inflation Index is determined pursuant to this Condition 6.3(b)(iii), the Calculation Agent will proceed to Condition 6.3(b)(iv) below;

(iv) if no replacement index or Successor Inflation Index has been determined under Conditions 6.3(b)(i), 6.3(b)(ii) or 6.3(b)(iii) above by the next occurring Cut-Off Date, the Calculation Agent, subject as provided below, will determine an appropriate alternative index from such Cut-Off Date, and such index will be deemed a "Successor Inflation Index"; or

(v) if the Calculation Agent determines that there is no appropriate alternative index in relation to Inflation Linked Interest Notes, on giving notice to Noteholders in accordance with Condition 17 (*Notices*), the Issuer shall redeem or cancel, as applicable all but not some only of the Inflation Linked Interest Notes, each Inflation Linked Interest Note being redeemed or cancelled, as applicable by payment of the relevant Early Redemption Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 17 (*Notices*).

(c) Rebasing of the Inflation Index

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the **Rebased Index**) will be used for purposes of determining the level of the Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make adjustments as are made by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, if "Related Bond" is specified as applicable in the applicable Final Terms, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased.

(d) Material Modification Prior to Last Occurring Cut-Off

If, on or prior to the last occurring Cut-Off Date, the Inflation Index Sponsor announces that it will make a material change to the Inflation Index then the Calculation Agent shall make any such adjustments, if "Related Bond" is specified as applicable in the applicable Final Terms, consistent with adjustments made to the Related Bond, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, only those adjustments to the Inflation Index necessary for the modified Inflation Index to continue as the Inflation Index.

(e) Manifest Error in Publication

With the exception of any corrections published after the day which is three (3) Business Days prior to the relevant Maturity Date, if, within thirty (30) calendar days of publication, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent may, in its discretion, make such adjustments to the terms of the Inflation Linked Interest Notes as it determines appropriate to account for the correction and will notify the Noteholders of any such adjustments in accordance with Condition 17 (*Notices*).

(f) Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may at its option

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) redeem or cancel, as applicable, all but not some of the Inflation Linked Interest Notes on the date notified by the Calculation Agent to Noteholders in accordance with Condition 17 (*Notices*) by payment of the relevant Early Redemption Amount, as at the date of redemption or cancellation, as applicable, taking into account the relevant Additional Disruption Event.

(g) Inflation Index Disclaimer

(i) The Notes are not sponsored, endorsed, sold or promoted by the Inflation Index or the Inflation Index Sponsor and the Inflation Index Sponsor does not make any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Inflation Index and/or the levels at which the Inflation Index stands at any particular time on any particular date or otherwise. Neither the Inflation Index nor the Inflation Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Inflation Index and the Inflation Index Sponsor is under no obligation to advise any person of any error therein. The Inflation Index Sponsor is not making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor, if the Notes are guaranteed Notes, the Guarantor shall have liability to the Noteholders for any act or failure to act by the Inflation Index Sponsor in connection with the calculation, adjustment or maintenance of the Inflation Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, neither the Issuer nor, if the Notes are Guaranteed Notes, the Guarantor nor their Affiliates has any affiliation with or control over the Inflation Index or the Inflation Index Sponsor or any control over the computation, composition or dissemination of the Inflation Index. Although the Calculation Agent will obtain information concerning the Inflation Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, if the Notes are Guaranteed Notes, the Guarantor, its, or as appropriate, their Affiliates or the

Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Inflation Index.For the purposes of the Inflation Linked Interest and Redemption Notes:

6.4 Exempt Notes

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 6.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

Credit Linked Notes

In the case of Credit Linked Notes which are interest bearing Notes, the rate and/or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 17.

Dual Currency Note

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

7. PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

(c) payments in Renminbi will be made by credit or transfer to an account denominated in Renminbi and maintained by the payee with a bank in the relevant RMB Settlement Centre(s) in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant RMB Settlement Centre(s).

7.2 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

7.3 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below) and save as provided in Condition 7.5) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

7.4 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

7.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

7.6 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (a) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (b) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below); and any payment in Renminbi will be made soley by transfer to the Designated Account in the releveant RMB Settlement Centre(s) of the holder (or the first named of joint holders) of the Registerd Note appearing in the Register. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the Noteholder with a bank in the relevant RMB Settlement Centre(s), details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland,

respectively) and (in the case of a payment in euro) any bank which processes payments in euro and (in the case of a payment in Renminbi) a bank in the relevant RMB Settlement Centre(s).

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (a) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (b) where in definitive form, at the close of business on the fifth day (in the case of Renminbi) and at the close of the fifteenth business day (in the case of a currency other than Renminbi) (whether or not such fifth day or fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Nothwithstanding the foregoing, payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) the Renminbi will be made solely by transfer to the Designated Account in the relevant RMB Settlement Centre(s) of the holder (or the first named of joint holders) of the Registered Note appearing in the Register. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.7 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or

interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor (in the case of Guaranteed Notes).

7.8 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 11) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation; and

(ii) any Additional Financial Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which, if the Specified Currency is Australian dollars New Zealand dollars or Renminbi, shall be Sydney, Auckland and the relevant RMB Settlement Centre(s), respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

7.9 RMB Currency Event

If "RMB Currency Event" is specified in the applicable Final Terms or Pricing Supplement, as the case may be, and if by reason of a RMB Currency Event, as determined by the relevant Issuer acting in good faith and in a commercially reasonable manner, the relevant Issuer is not able to pay any amount in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in RMB under the terms of the Notes shall be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Determination Date.

The relevant Issuer shall give not less than 10 nor more than 60 days notice (prior to the date of payment) to the Noteholders in accordance with Condition 17 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof.

For the purpose of this Condition and unless stated otherwise in the applicable Final Terms or Pricing Supplement, as the case may be:

Determination Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant RMB Settlement Centre(s), London and foreign exchange markets settle payments and the principal financial centre of the country of the Relevant Currency;

Determination Date means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

Governmental Authority means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant RMB Settlement Centre(s);

Relevant Currency means U.S. dollars or such other currency as may be specified in the applicable Final Terms or Pricing Supplement, as the case may be;

Relevant Currency Valuation Time means the time specified as such in the applicable Final Terms or Pricing Supplement, as the case may be;

RMB Currency Events means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

RMB Illiquidity means the general Renminbi exchange market in the relevant RMB Settlement Centre(s) becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in the relevant RMB Settlement Centre(s);

RMB Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in the relevant RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

RMB Non-Transferability means the occurrence of any event that makes it impossible for the relevant Issuer to deliver RMB between accounts inside the relevant RMB Settlement Centre(s) or from an account inside the relevant RMB Settlement Centre(s) to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in the relevant RMB Settlement Centre(s) is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

Spot Rate means the spot CNY/Relevant Currency exchange rate for the purchase of the Relevant Currency with Renminbi in the over-the-counter Renminbi exchange market in the relevant RMB Settlement Centre(s) for settlement in two Determination Business Days, as determined by the Calculation Agent at or around the Relevant Valuation Time on the Determination Date by reference to the Relevant Spot Rate Screen Page. If such rate is notavailable, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in the relevant RMB Settlement Centre(s) or elsewhere and the CNY/Relevant Currency exchange rate in the PRC domestic foreign exchange market.All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Guarantor, the Paying Agents and all holders of the Notes.

7.10 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 10;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.6); and

(g) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10.

Any reference in these Conditions to payment of any sums in respect of the Notes (including, in respect of Index Linked Notes, Physically-Settled Notes (as defined in Condition 8.12) and other structured Notes) shall be deemed to include, as applicable, delivery of any relevant Reference Asset (as defined in Condition 8.12) if so provided in the applicable Final Terms and references to "paid" and "payable" shall be construed accordingly.

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer on the Maturity Date specified in the applicable Final Terms or Pricing Supplement (i) at *par* in case of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Inflation Linked Interest Notes and CMS Linked Interest Notes as indicated in the applicable Final Terms in the relevant Specified Currency or (ii) at its Final Redemption Amount, in case of Exempt Notes, which is such amount as may be specified in the applicable Pricing Supplement in the relevant Specified Currency.

The redemption of Subordinated Notes issued by UniCredit shall always be subject to the prior approval of the Bank of Italy, such approval being dependent on UniCredit maintaining its minimum capital requirements (*patrimonio di vigilanza*) as prescribed in the Bank of Italy Regulations immediately following redemption of the Subordinated Notes. If such approval is not given on or prior to the Maturity Date, UniCredit will re-apply to the Bank of Italy for its consent to such redemption forthwith upon its having again, by whatever means, such required minimum capital. UniCredit will use its best endeavours to maintain such required minimum capital and to obtain such approval. Amounts that would otherwise be payable on the Maturity Date will continue to bear interest as provided in Condition 6.4.

Notwithstanding the terms of any other Condition or provisions of, or relating to, the UniCredit Ireland Subordinated Notes, the redemption of:

(a) Subordinated Notes issued by UniCredit Ireland having:

(i) an original maturity of at least five years before the Maturity Date; or

(ii) no fixed maturity in circumstances where five years' notice of redemption has not been given,

shall always be subject to the prior consent of the Central Bank of Ireland and any failure by UniCredit Ireland to redeem any such Notes where such consent has not been granted shall not constitute a default of UniCredit Ireland for any purpose. Consent to redemption is at the discretion of the Central Bank of

Ireland but will not be granted on the initiative of the Noteholder or where the solvency of UniCredit Ireland would be affected.

8.2 Redemption for tax reasons

Subject to Condition 8.6, the Notes may be redeemed at the option of the Issuer (but subject to the prior approval of the Bank of Italy in the case of Subordinated Notes issued by UniCredit and of the Central Bank of Ireland in the case of Subordinated Notes issued by UniCredit Ireland) in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and the Trustee and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 or the Guarantor (in the case of Guaranteed Notes) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 10) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, provided that in the case of Subordinated Notes any such change or amendment was not reasonably foreseeable by the relevant Issuer as at the date of the issue of the relevant Subordinated Notes; and

(b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Trustee to make available at its specified office to the Noteholders a certificate signed by two authorised signatories of the Issuer or, as the case may be, two authorised signatories of the Guarantor stating that the said circumstances prevail and describe the facts leading thereto and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 8.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.2. Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption for regulatory reasons (Regulatory Call)

This Condition 8.3 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes.

If Regulatory Call is specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer (subject to the prior approval of the Bank of Italy in the case of Subordinated Notes issued by UniCredit and of the Central Bank of Ireland and the Bank of Italy (where applicable or required) in the case of Subordinated Notes issued by UniCredit Ireland), in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 15 nor more than 30 days' notice to the Principal Paying Agent and the Trustee and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), if, after consultation with the Bank of Italy in the case

of Subordinated Notes issued by UniCredit and of the Central Bank of Ireland and the Bank of Italy (where applicable or required) in the case of Subordinated Notes issued by UniCredit Ireland, a proportion equal to or more than the Minimum Disqualification Amount of the Subordinated Notes ceases to qualify as "Lower Tier II capital" or, as appropriate, "Tier 2 capital" as a result of changes after the date of issue of the relevant Subordinated Notes in the standards and guidelines implementing CRD IV in Italy or Ireland which were not reasonably foreseeable by the relevant Issuer as at the date of the issue of the relevant Subordinated Notes of: (i) the Bank of Italy in the case of Subordinated Notes issued by UniCredit; and (ii) in the case of Subordinated Notes issued by UniCredit Ireland (a) the Central Bank of Ireland or (b) where such Subordinated Notes qualified (prior to such cessation) as "Tier II capital" of UniCredit on a consolidated basis, the Bank of Italy.

In this Condition 8.3:

the **Minimum Disqualification Amount** means the percentage of the aggregate outstanding nominal amount of the relevant Subordinated Notes specified in the Applicable Final Terms; and

CRD IV means the legislative package consisting of the Directive and the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms.

Prior to the publication of any notice of redemption pursuant to this Condition, the relevant Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two authorised signatories of the Issuer or, as the case may be, two authorised signatories of the Guarantor stating that the said circumstances prevail and describe the facts leading thereto and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 8.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.3. Notes redeemed pursuant to this Condition 8.3 will be redeemed at their Early Redemption Amount referred to in Condition 8.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.4 Redemption at the option of the Issuer (Issuer Call)

This Condition 8.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 8.4 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject, in the case of Subordinated Notes, to the prior approval of the Bank of Italy or the Central Bank of Ireland, as applicable), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 17 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if a Make-whole Amount is specified in the applicable Final Terms, will be an amount calculated by the Agent equal to the higher of:

(a) 100 per cent. of the nominal amount of the Notes to be redeemed; or

(b) the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the Optional

Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Bond Rate (as defined below), plus the specified Redemption Margin,

plus in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the Conditions:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser means an independent and internationally recognised financial adviser selected by the Issuer;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or the FA Selected Bond;

Reference Bond Price means, with respect to the Optional Redemption Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to the Optional Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Optional Redemption Date;

Reference Government Bond Dealer means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the Optional Redemption Date, the arithmetic average, as determined by the Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Agent by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the Optional Redemption Date.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8.4 by the Agent, shall (in the absence of negligence, wilful default or fraud) be binding on the Issuer, the Agent, the Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of

such Redeemed Notes will be published in accordance with Condition 17 (Notices) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (Notices) at least five days prior to the Selection Date.

8.5 Redemption at the option of the Noteholders (Investor Put)

This Condition 8.5 applies only to Notes specified in the applicable Final Terms as being Senior Notes.

This Condition *8.5* applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition *8.5* for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 17 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, in whole (but not, in the case of a Bearer Note in definitive form, in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.5 in any multiple of their lowest Specified Denomination.

If this Note is represented by a Global Note and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to any Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or, as the case may be, the common safekeeper for them to any Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to any Paying Agent for notation accordingly.

The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

8.6 Early Redemption Amounts

For the purpose of Condition 8.2 and Condition 8.3 above and Condition 12, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = RP (1 + AY)y

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360- day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

8.7 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 8.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

8.8 Purchases

Subject as provided in the following paragraph, the Parent, the Issuer or any subsidiary of the Parent may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such

Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

Subordinated Notes may only be purchased by the Parent, the Issuer or any of the Parent's subsidiaries subject to the prior approval of the Bank of Italy or the Central Bank of Ireland, as appropriate, unless the Notes to be purchased (a) do not exceed 10 per cent. of the aggregate nominal amount of the Series and (b) are not purchased in order to be surrendered to any Paying Agent for cancellation.

8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased by the Parent, the Issuer or any Subsidiary of the Issuer and surrendered to any Paying Agent for cancellation pursuant to Condition 8.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3, 8.4 or 8.5 above or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.6(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent, the Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 17.

8.11 Index Linked Notes and other Structured Notes

The Issuer may, as indicated in the applicable Pricing Supplement, be entitled to redeem Index Linked Notes or other structured Notes, including where the amount of principal and/or interest in respect of such Notes is based on the price, value, performance or some other factor relating to an asset or other property (**Reference Asset**), by physical delivery of all or part of the Reference Asset or of some other asset or property (**Physically-Settled Notes**).

8.12 Italian Civil Code

The Notes are not subject to Article 1186 of the Italian Civil Code nor, to the extent applicable, to Article 1819 of the Italian Civil Code.

9. PROVISIONS APPLICABLE TO CREDIT LINKED NOTES

The following provisions apply to Credit Linked Notes including First-to-Default Credit Linked Notes and Linear Basket Credit Linked Notes (subject as provided in the applicable Pricing Supplement).

9.1 Redemption of Credit Linked Notes upon occurrence of Credit Event

(a) Credit Event Notice

Unless otherwise stated in the applicable Pricing Supplement, if at any time the Calculation Agent determines that a Credit Event has occurred during the Reference Period, whether or not such event is continuing, the Issuer may provide a notice (the **Credit Event Notice**) during the Notice Delivery Period to the Noteholders in accordance with Condition 17 of its intention to redeem the Credit Linked Notes (other than principal protected Credit Linked Notes or as otherwise stated in the applicable

Pricing Supplement), and if such notice is so given and the other Conditions to Settlement (as specified in the applicable Pricing Supplement) are satisfied, the Issuer shall redeem all but not some of the Credit Linked Notes then outstanding on the Credit Event Redemption Date, subject to the provisions of Condition 9.12, as determined by the Calculation Agent in its sole discretion. Such redemption shall occur by Physical Settlement and/or, if so specified in the applicable Pricing Supplement, Cash Settlement or Auction Settlement.

The Credit Event Redemption Date may be a date falling after the originally scheduled Redemption Date in which case the originally scheduled Redemption Date shall be deemed to be replaced by the relevant date specified in the Credit Event Notice or otherwise notified to the Noteholders.

For the avoidance of doubt and notwithstanding any other provision of these Terms and Conditions, no amount of interest shall be payable on the Notes as from (and including) the Interest Payment Date (or, if none, the Interest Commencement Date) immediately preceding the date on which the Credit Event occurred, unless otherwise specified in the applicable Pricing Supplement.

The Credit Event Notice shall (if appropriate) be published in the relevant newspaper(s) referred to in Condition 17 and shall:

(i) describe the grounds on which the Calculation Agent has determined that there has been a Credit Event (but need not assert that a Credit Event is continuing);

(ii) specify the Event Determination Date; and

(iii) confirm that either (A) the Notes will be redeemed at their Auction Settlement Amount (in the case of Auction Settlement), in each case on the Credit Event Redemption Date or (B) the Notes will be redeemed at their Cash Settlement Amount (in the case of Cash Settlement) or (C) the Notes will be redeemed by delivery of the Deliverable Obligations as specified in the Notice of Physical Settlement (in the case of Physical Settlement and subject to the provisions of Condition 9.11).

If "First to Default Credit Linked Note" is specified as "Applicable" in the Pricing Supplement, then this paragraph (a) shall apply only to the Reference Entity in respect of which a Credit Event has occurred first in time with respect to the other Reference Entities specified in the Pricing Supplement.

(b) Determination of the occurrence of a Credit Event

The Calculation Agent shall determine whether or not a Credit Event has occurred during the Reference Period or whether ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that a Credit Event has occurred during the Reference Period. The Calculation Agent shall, however, have no duty or responsibility to investigate or check whether such Credit Event has or may have occurred or is continuing on any date and shall be entitled to assume, in the absence of actual knowledge to the contrary of the employees or officers of the Calculation Agent directly responsible for the time being for making determinations hereunder, that no Credit Event has occurred or is continuing.

When determining the existence or occurrence of any Credit Event, the determination shall be made without regard to:

(i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(iv) the imposition of or any change in any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

If the Calculation Agent determines in its sole and absolute discretion or if ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that a Credit Event has occurred during the Reference Period, the Calculation Agent shall promptly notify the Issuer and the Principal Paying Agent. The determination by the Calculation Agent of the occurrence of a Credit Event shall (in the absence of wilful default, bad faith or manifest error) be conclusive and binding on all persons (including, without limitation, the Noteholders).

(c) Calculation Agent and notices

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under or pursuant to this Condition shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under or pursuant to the Notes including, without limitation, the giving of any notice to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall bear any liability in respect of, or consequently to, any such delay, deferral or forbearance.

A notice delivered by the Calculation Agent on or prior to 5.00 p.m., London time, on a London Business Day will be effective on such London Business Day. A notice delivered after 5.00 p.m., London time, will be deemed effective on the next following London Business Day regardless of the form in which it is delivered. For the purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one London Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice. If that written confirmation is not received within such time, the party obligated to deliver that confirmation will be deemed to have satisfied its obligation to deliver such written confirmation at the time that a written confirmation of the oral notice is received.

9.2 Auction Settlement

Where the Issuer is to redeem Notes by means of Auction Settlement, the redemption of each Note shall be effected by the payment of the Auction Settlement Amount determined pursuant to an Auction on the Credit Event Redemption Date, such amount to be apportioned *pro rata* among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

If Swap Unwind Amount is specified as "Applicable" in the Pricing Supplement, then the Issuer shall pay the Auction Settlement Amount, subject to adjustment after taking into consideration the Swap Unwind Amount pursuant to the following:

(a) if the Swap Unwind Amount results in a net loss to the Issuer, then the net loss shall be deducted from the Auction Settlement Amount otherwise payable to Noteholders; or

(b) if the Swap Unwind Amount results in a net gain to the Issuer, such net gain shall be paid to add to the Auction Settlement Amount otherwise payable to Noteholders.

Unless settlement has occurred in accordance with the above paragraph, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option), (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, (d) a Credit Event Determination Date was

determined pursuant to paragraph (a) of the definition of Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date or (e) a Credit Event Determination Date was determined pursuant to paragraph (b)(B)(II) of the definition of Credit Event Determination Date, then:

(a) if Fallback Settlement Method – Cash Settlement is specified as applicable in the applicable Pricing Supplement and the Notes are not Linear Basket Credit Linked Notes, the Issuer shall redeem the Notes in accordance with Condition 9.4; or

(b) if Fallback Settlement Method – Physical Settlement is specified as applicable in the applicable Pricing Supplement and the Notes are not Linear Basket Credit Linked Notes, the Issuer shall redeem the Notes in accordance with Condition 9.3; or

(c) if the Notes are Linear Basket Credit Linked Notes, the Issuer shall redeem a portion of the principal amount of each Note equal to the Applicable Proportion in accordance with Condition 9.4 or 9.3, as applicable.

9.3 Physical Settlement

Where the Issuer is to redeem the Notes by means of Physical Settlement, the redemption of the Notes shall, subject to Condition 18, be effected by the delivery by the Delivery Agent on behalf of the Issuer to the Noteholders of the Deliverable Obligations on the Credit Event Redemption Date. If the Notes are Linear Basket Credit Linked Notes, redemption of the Notes refers to a portion of the principal amount of each Note equal to the Applicable Proportion.

If Swap Unwind Amount is specified as "Applicable" in the Pricing Supplement, then the Delivery Agent on behalf of the Issuer shall deliver the Deliverable Obligations subject to adjustment after taking into consideration the Swap Unwind Amount pursuant to the following:

(a) if the Swap Unwind Amount results in a net loss to the Issuer, then an amount of the Deliverable Obligations selected by the Delivery Agent in its sole discretion equivalent in value in aggregate to such net loss shall be deducted from the Deliverable Obligations, and the remaining portion of the Deliverable Obligations, if any, shall be delivered; or

(b) if the Swap Unwind Amount results in a net gain to the Issuer, such net gain shall be paid in cash to the Noteholders on or before the Physical Settlement Date in addition to the delivery of the Deliverable Obligations.

In the case of Deliverable Obligations that are Borrowed Money obligations, (i) the Issuer will deliver Deliverable Obligations with an outstanding principal balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified in the Pricing Supplement, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified in the Pricing Supplement, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Pricing Supplement, excluding accrued but unpaid interest) and (ii) in the case of Deliverable Obligations that are not Borrowed Money obligations, the Issuer will deliver Deliverable Obligations with a Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent amount in the applicable currency of any such amount), in an aggregate amount as close as possible to the outstanding Aggregate Nominal Amount of the Notes.

The portion of Deliverable Obligations deliverable in respect of each Note shall be determined by reference to the proportion that the Specified Denomination of such Note bears to the outstanding Aggregate Nominal Amount of the Notes. In the case of Linear Basket Credit Linked Notes, interest shall cease to accrue on the relevant Applicable Proportion of the Specified Denomination of each Note.

Unless otherwise specified in the applicable Pricing Supplement, a Notice of Physical Settlement must be delivered by the Issuer to the Noteholders in accordance with Condition 17 on or before the thirtieth calendar day after the relevant Event Determination Date (such thirtieth calendar day being the **Physical Determination Date**). For purposes of determining whether such Notice of Physical

Settlement has been so delivered by the Physical Determination Date, the date of the Notice of Physical Settlement (whether or not subsequently changed) shall be used.

For the avoidance of doubt, failure to deliver a Notice of Physical Settlement to the Noteholders shall not relieve the Issuer from its obligation to redeem the Notes. If on the Physical Determination Date no Notice of Physical Settlement has been delivered to the Noteholders in accordance with Condition 17, the Issuer shall be obliged to redeem the Notes in cash at their outstanding Aggregate Nominal Amount as soon as reasonably practicable and the date on which the Notes are redeemed shall be deemed to be the Credit Event Redemption Date.

9.4 Cash Settlement

Where the Issuer is to redeem the Notes by means of Cash Settlement, the redemption of each Note shall be effected by the payment by the Issuer to the Noteholder of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned *pro rata* among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency. If the Notes are Linear Basket Credit Linked Notes, the redemption of each Note refers to a portion of the principal amount of each Note equal to the Applicable Proportion.

If Swap Unwind Amount is specified as "Applicable" in the Pricing Supplement, then the Issuer shall pay the Cash Settlement Amount, subject to adjustment after taking into consideration the Swap Unwind Amount pursuant to the following:

(a) if the Swap Unwind Amount results in a net loss to the Issuer, then the net loss shall be deducted from the Cash Settlement Amount otherwise payable to Noteholders; or

(b) if the Swap Unwind Amount results in a net gain to the Issuer, such net gain shall be paid to add to the Cash Settlement Amount otherwise payable to Noteholders.

9.5 Partial Cash Settlement due to illegality or impossibility

If, due to an event beyond the control of the Issuer or a Noteholder (including, without limitation, failure of the relevant clearing system or due to any law, regulation or court order but excluding market conditions, the inability to *pro rata* divide any Deliverable Obligation or the failure to obtain any requisite consent with respect to the Delivery of Loans), the Calculation Agent determines in its sole discretion that it is impossible or illegal for the Delivery Agent or the Issuer to deliver, or (as the case may be) for such Noteholder to accept delivery of, any portion of the Deliverable Obligations on the Physical Settlement Date, then on such date:

(a) the Issuer shall, or cause the Delivery Agent to, deliver, and the Noteholder shall take delivery of, that portion of the Deliverable Obligations which it is possible and legal to deliver; and

(b) the Calculation Agent shall provide a description to the Issuer and the relevant Noteholder(s) in reasonable detail of the facts giving rise to such impossibility or illegality and as soon as practicable thereafter the Delivery Agent or, as the case may be, the Issuer shall deliver and the Noteholder shall take delivery of the portion of the Deliverable Obligations which has not been delivered and such date will be deemed to be the Credit Event Redemption Date.

If, upon the determination by the Calculation Agent as aforesaid of the occurrence of any such impossibility or illegality, the Deliverable Obligations are not delivered to the Noteholder(s) (or any of their designees) on or before the Latest Permissible Physical Settlement Date, Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to such portion of the Deliverable Obligations that cannot be delivered (the **Undeliverable Obligations**).

9.6 Partial Cash Settlement of Loans

Where the applicable Pricing Supplement provides that "Assignable Loan" and/or "Consent Required Loan" is/are included in the "Deliverable Obligation Characteristics", if any Assignable Loans or Consent Required Loans are not on the Physical Settlement Date capable of being assigned or novated to any particular Noteholder or the Noteholder's designee due to non-receipt of any requisite consents

and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date (together the **Undeliverable Loan Obligations**), Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to that portion of the Deliverable Obligations that consists of Undeliverable Loan Obligations. In such circumstances the Issuer may satisfy its obligations in respect of such portion of the Deliverable Obligations by payment of the Cash Settlement Amount on the Cash Settlement Date.

9.7 Alternative Cash Settlement

If with respect to Physically-Settled Notes, (a) the Deliverable Obligations comprise Bonds, Assignable Loans or Consent Required Loans (the **Deliverable Assets**) and if (b), in the opinion of the Calculation Agent, any particular Noteholder is not eligible for any reason for Physical Settlement for any part of such Deliverable Assets (the **Non-Eligible Deliverable Assets**), then such Non-Eligible Deliverable Assets will be subject to Cash Settlement pursuant to the Partial Cash Settlement Terms. In such circumstances the Issuer may satisfy its obligations in respect of such Non-Eligible Deliverable Assets by payment to such Noteholder of the Cash Settlement Amount on the Cash Settlement Date.

9.8 No Deliverable Obligations

Where the Issuer is to redeem the Notes by means of Physical Settlement (or by Cash Settlement or in connection with principal protected Credit Linked Notes, in either case when necessary calculations relate to Deliverable Obligations or Deliverable Obligation Characteristics), if a Credit Event occurs with respect to any particular Reference Entity and the Calculation Agent determines in its sole discretion that (a) no Deliverable Obligation exists on the Physical Settlement Date (or the Valuation Date, as the case may be), or (b) the Issuer, or the Delivery Agent on the Issuer's behalf, is for any reason (other than (a) immediately above or as set out in Condition 9.5 or 9.6 above or in the applicable Pricing Supplement), unable to procure any Deliverable Obligations, or a sufficient amount of Deliverable Obligations, by the thirtieth day following the Physical Settlement Date, then the Calculation Agent shall have the right in its sole discretion to either (i) in the case of (a) above, cause all of the Notes to become due and repayable as soon as reasonably practicable at their outstanding Aggregate Nominal Amount (excluding accrued interest) or (ii) in the case of (b) above, either (A) elect Physical Settlement in a *pro rata* fashion for that portion of each Note to the extent that the aggregate amount of Deliverable Obligations due exceeds the aggregate amount of Deliverable Obligations available and elect Cash Settlement for the remaining portion of each Note in accordance with (B) below, or (B) elect that Cash Settlement pursuant to the Partial Cash Settlement Terms shall apply to such Deliverable Obligation (such Deliverable Obligation being deemed an Undeliverable Obligation for these purposes) and the Issuer may satisfy its obligations in respect of such Deliverable Obligation by payment to the Noteholder(s) of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned *pro rata* among the Noteholders.

9.9 Partial Cash Settlement Terms

The following terms are deemed to be defined as follows for the purposes of the Partial Cash Settlement Terms referred to in Conditions 9.5, 9.6, 9.7 and 9.8 above:

(a) **Cash Settlement** is deemed to be the payment by the Issuer of the Cash Settlement Amount to the Noteholders on the Cash Settlement Date;

(b) **Cash Settlement Amount** is deemed to be, for each Undeliverable Obligation or Undeliverable Loan Obligation, the aggregate of the greater of (i) the aggregate of (A) outstanding principal balance, Due and Payable Amount or the amount in the applicable currency, as applicable, of each Undeliverable Obligation or Undeliverable Loan Obligation, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Undeliverable Loan Obligation and (ii) zero;

(c) **Cash Settlement Date** is deemed to be the date that is three Business Days after the calculation of the Final Price or such other date specified in the relevant Pricing Supplement;

(d) **Latest Permissible Physical Settlement Date** means, in respect of Condition 9.5, the date that is 30 calendar days after the Physical Settlement Date and, in respect of Condition 9.6, the date that is 15 Business Days after the Physical Settlement Date;

(e) **Valuation Date** is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date;

(f) **Valuation Method** shall be as specified in the applicable Pricing Supplement or otherwise shall be deemed to be (i) if only one Valuation Date, Highest, or (ii) if more than one Valuation Date, the average Highest, or if "Market" has been designated in the relevant Pricing Supplement, "Market Value" shall apply;

(g) **Quotation Method** shall be as specified in the applicable Pricing Supplement or otherwise shall be deemed to be bid;

(h) **Quotation Amount** shall be as specified in the applicable Pricing Supplement or otherwise shall be deemed to be, with respect to each type of Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, an amount equal to the outstanding principal balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Undeliverable Loan Obligation;

(i) **Minimum Quotation Amount** shall be as specified in the applicable Pricing Supplement or shall be deemed to be equal to the applicable Specified Denomination of the Notes;

(j) **Valuation Time** is deemed to be 11.00 a.m. London time, or 11.00 a.m. in the principal trading market of the relevant obligation as determined by the Calculation Agent, unless stated otherwise in the applicable Pricing Supplement;

(k) **Market Value** means, with respect to obligations being valued on a Valuation Date:

(i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

(ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest and lowest values, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; and (v) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained on any of the next ten Business Days thereafter, any one Full Quotation on such tenth Business Day, or if no Full Quotation is obtained, the Market Value shall be the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

(l) **Quotation** means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers, and, if two or more Full

Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

(m) **Dealer** means a dealer, financial institution or fund (which, for the avoidance of doubt, shall include the Issuer (in the case of UniCredit as Issuer) or any Affiliate of the Issuer) that deals or invests in obligations of the type of Obligation(s) for which Quotations are to be obtained. The Calculation Agent shall select the Dealers in good faith and in a commercially reasonable manner. Upon a selected Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for one or more of the foregoing. Any bid quotation provided by the Issuer shall be deemed to be a firm quotation that it would provide to a counterparty in the market;

(n) **Highest** means the highest Quotation obtained by the Calculation Agent (or in accordance with the definition of "Quotation") with respect to any Valuation Date; and

(o) **Final Price** means the price of the Reference Obligation or Valuation Obligation being valued, expressed as a percentage, determined in accordance with the specified Valuation Method. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, notify the Issuer of each such Quotation that it receives in connection with the calculation of the Final Price and shall provide the Issuer with a written computation showing its calculation of the Final Price.

9.10 Maturity Date extension

Unless otherwise stated in the applicable Pricing Supplement if, prior to any payment date under the Notes: (a) a Potential Failure to Pay has occurred with respect to one or more of the Obligations; (b) under the terms of such Obligation(s), a grace period is applicable to payments under the Obligation(s); and (c) such grace period does not expire on or prior to such payment date under the Notes, then such Interest Payment Date or, as the case may be, the Maturity Date, shall be postponed until the fifth Business Day after such Potential Failure to Pay has been remedied, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if the Potential Failure to Pay has not been remedied during the applicable grace period.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 17 as soon as reasonably practicable should the Maturity Date or any payment date be postponed pursuant to the foregoing.

9.11 Repudiation/Moratorium Maturity Date extension

Unless stated otherwise in the applicable Pricing Supplement if, prior to the Maturity Date under the Notes: (a) "Repudiation/Moratorium" is listed as an applicable Credit Event in the applicable Pricing Supplement; (b) a Potential Repudiation/Moratorium has occurred with respect to one or more of the Obligations; and (c) such Potential Repudiation/Moratorium has not been remedied or rescinded prior to the Maturity Date, then the Maturity Date shall be postponed until the fifth Business Day after such Potential Repudiation/Moratorium has been remedied or rescinded, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if (i) such Potential Repudiation/Moratorium has not been remedied or rescinded by the sixtieth day after the original Maturity Date (or if the Obligation which is the subject of the Potential Repudiation/Moratorium is a Bond, the later of the sixtieth day or the first payment date under such Bond after the date on which the Potential Repudiation/Moratorium occurred or if later, the expiration date of any applicable Grace Period in respect of such payment date), or (ii) a Restructuring (without regard to the Default Requirement) or a Failure to Pay (determined without regard to the Payment Requirement or any

change or amendment to such Obligation as a result of such Restructuring), has occurred with respect to any such Obligation.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 17 as soon as reasonably practicable should the Maturity Date be postponed pursuant to the foregoing.

9.12 Restructuring Credit Event applicable

Where Restructuring is specified in the applicable Pricing Supplement as being an applicable Credit Event, unless otherwise specified in the applicable Pricing Supplement with respect to a specific Reference Entity, the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event. Accordingly, notwithstanding Conditions 9.1 to 9.11 above, where a Restructuring Credit Event has occurred and the Issuer has delivered a Credit Event Notice for an amount that is less than the outstanding Aggregate Nominal Amount of the Notes outstanding immediately prior to the delivery of such Credit Event Notice (the **Exercise Amount**), the provisions of Conditions 9.1 to 9.11 above shall be deemed to apply to a nominal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly. Each such Note, including but not limited to Linear Basket Credit Linked Notes, shall be redeemed in part (such redeemed part being equal to the resultant figure of the Exercise Amount divided by the number of Notes outstanding). In case of a Linear Basket Credit Linked Note, the fact that a Restructuring Credit Event has occurred in respect of a Reference Entity shall not preclude delivery of a Credit Event Notice in respect of any other Reference Entity.

The Notes shall be deemed to be redeemed *pro rata* in an amount in aggregate equal to the Exercise Amount only. The Notes in an amount equal to the Outstanding Amount shall remain outstanding and interest shall accrue on the Outstanding Amount as provided for in Condition 5 and all references thereafter to Aggregate Nominal Amount shall be construed accordingly (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

In respect of any subsequent Credit Event Notices delivered:

(a) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Aggregate Nominal Amount of the Notes (and not a portion thereof); and

(b) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the nominal amount is denominated or any integral multiple thereof or the entire then outstanding Aggregate Nominal Amount of the Notes.

If the provisions of this Condition 9.12 apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

If "Restructuring Maturity Limitation and Fully Transferable (if not issued in NGN form) Obligation Applicable" is specified in the applicable Pricing Supplement relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Fully Transferable Obligation and (b) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Pricing Supplement relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Conditionally Transferable Obligation and (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

9.13 General

For such period of time after the relevant Physical Settlement Date as the Issuer or any other person (other than a Noteholder) shall continue to be the legal owner of the securities, interests or other assets comprising the Deliverable Obligations (the **Intervening Period**), neither the Issuer nor any other such person shall:

(a) be under any obligation to deliver or procure delivery to such Noteholder(s) or any subsequent beneficial owner of such securities any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such securities; or

(b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities during the Intervening Period; or

(c) be under any liability to such Noteholder(s) or any subsequent beneficial owner of such securities in respect of any loss or damage which such Noteholder(s) or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities during such Intervening Period (including, without limitation, any loss or damage resulting from the failure to exercise any or all rights (including voting rights) attaching to such securities during the Intervening Period).

9.14 Terms relating to Successor Events

(a) Successor

(i) Notwithstanding the Definitions, for the purposes of these Conditions, **Successor** means:

(A) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

(I) if an entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;

(II) if one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;

(III) if more than one entity each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will be Successors and the Conditions and the Pricing Supplement will be adjusted as provided in paragraph (b) below;

(IV) if one or more entities each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will be a Successor and the Conditions and the Pricing Supplement will be adjusted as provided in paragraph (b) below;

(V) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations

of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the Conditions and the Pricing Supplement will not be changed in any way as a result of the Succession Event; and

(VI) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of the Relevant Obligations (or if two or more entities succeed to an equal percentage of the Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of Relevant Obligations) of the Reference Entity will be the sole Successor; and

(B) in relation to a Sovereign Reference Entity, "Successor" means any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity; and

(C) references to the Reference Entity being the sole Successor shall mean succeeding to (i) the entire Aggregate Nominal Amount of the Notes outstanding as at the date of the Succession Event; or (ii) in the case of Linear Basket Credit Linked Notes, the relevant portion of the Notional Amount of the original Reference Entity outstanding as at the date of the Succession Event.

(ii) In the case of paragraph (i)(A) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but not earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)(IV) above as applicable provided that the Calculation Agent will not make any such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (a) above and paragraphs (a) and (b)(A) of the definition of Succession Event Resolution Request Date (in the case of a Reference Entity that is not a Sovereign) or (b) below and paragraphs (a) and (b)(B) of the definition of Succession Event Resolution Request Date (in the case of a Sovereign Reference Entity) are satisfied in accordance with the Rules (until such time (if any) that ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating whether the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)(VI) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information (as defined below). In the case of Notes listed on a stock exchange, the appropriate documentation will be filed with the relevant stock exchange.

Where applicable, the Calculation Agent shall apply, *mutatis mutandi*, the Resolution of the relevant Credit Derivatives Determinations Committee relating to a Succession Event to the relevant Notes.

(b) Adjustments following a Succession Event resulting in more than one Successor

(i) If, pursuant to paragraph (a)(i)(A)(III) or (IV) above, more than one Successor has been identified, then each Note shall be deemed, solely for purposes of the partial redemption provisions set out in this paragraph (b), to be divided into the same number of new Notes (each a **New Note**) as there are Successors, with the following terms:

(A) each Successor will be the Reference Entity for the purposes of one of the New Notes; and

(B) in respect of each New Note, the principal amount will be the principal amount of the Note divided by the number of Successors.

(ii) If an Event Determination Date occurs in respect of a Reference Entity in relation to a New Note, each Note will be partially redeemed in an amount equal to the principal amount of the relevant New Note (the aggregate of such principal amounts being the relevant Partial Redemption Amount). In such case, the provisions of this Condition 9 and the other provisions of the Pricing Supplement shall apply to a principal amount of the Notes equal to the Partial Redemption Amount only and all such provisions shall be construed accordingly.

(iii) The Notes, in an amount equal to their outstanding principal amount prior to any such partial redemption less the Partial Redemption Amount, shall remain outstanding (the **Principal Amount Outstanding**), subject to the Conditions and the Pricing Supplement, which shall otherwise continue in full force and effect, including, without limitation, the accrual of interest on the Principal Amount Outstanding of such Notes as provided in Condition 5 and in the Pricing Supplement (adjusted to reflect the partial redemption under this paragraph (b) and otherwise in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

(iv) In respect of First-to-Default Credit Linked Notes, if, pursuant to paragraph (a) above the number of Reference Entities has decreased due to the Succession Event, the Calculation Agent shall replace any one or more entities that has ceased to exist (each a **Predecessor**) by choosing, to the extent reasonably practicable, a replacement entity (i) from the same Moody's industry group and geographical region as each Predecessor, and (ii) with a bid-side credit spread not greater than 110 per cent. of such spread of the Predecessor as at the date of the relevant Succession Event, and each such replacement entity shall be deemed to be a Reference Entity for purposes hereof.

If more than one entity becomes a Successor to any particular Reference Entity, the Reference Portfolio will be deemed to be divided into the same number of reference portfolios as there are Successors (each such portfolio, a **New Reference Portfolio**), each Note shall be deemed, solely for purposes of the provisions set out in this paragraph (b), to be divided into the same number of new Notes (each a **New Note**) as there are New Reference Portfolios provided that the notional amount of each New Reference Portfolio will be equivalent, and the aggregate of the notional amounts will equal the Aggregate Nominal Amount. Each Successor will be a Reference Entity for the purposes of one of the New Reference Portfolios and the New Notes and each of the Reference Entities that is not subject to the applicable Succession Event shall be a Reference Entity for the purposes of each and every one of the New Reference Portfolios and New Notes. For the avoidance of doubt, following the creation of the New Reference Portfolios and New Notes, if a Credit Event occurs with respect to a Reference Entity in one New Reference Portfolio, but not in any other New Reference Portfolio, the Issuer will settle such Notes relating to the relevant New Reference Portfolio containing such Reference Entity, and each Note will be written down proportionately.

(v) For the avoidance of doubt:

(A) notwithstanding the occurrence of a Credit Event in respect of a Reference Entity and partial redemption of the Notes as provided in this paragraph (b), nothing shall prevent the Calculation Agent from delivering a further Credit Event Notice in respect of any Credit Event that may occur in respect of any other Reference Entity; and

(B) the provisions of this Condition 9.14 (as a whole) shall apply to the portion of each Note represented by a New Note in the case of any subsequent Succession Event affecting the relevant Reference Entity.

(vi) If the Notes are partially redeemed pursuant to this paragraph (b), each such Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption (if not issued in NGN form).

(vii) The Calculation Agent shall adjust any other of the Conditions and/or the applicable Pricing Supplement as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts any of the Conditions and/or the applicable Pricing Supplement in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes in accordance with the Definitions.

(viii) Upon the Calculation Agent determining the identity of more than one Successor in accordance with the provisions of this paragraph (b), the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 17, stating the adjustments it has made to the Conditions and/or the applicable Pricing Supplement (including, inter alia, specifying the names of the Successors, setting out the Partial Redemption Amount, and giving brief details of the relevant Succession Event).

(ix) Where:

(A) one or more Successors to the Reference Entity have been identified; and

(B) any one or more such Successors have not assumed the Reference Obligation, a Substitute Reference Obligation will be determined by the Calculation Agent.

Substitute Reference Obligation means, for the purposes of this Condition 9.14, any of (i) the relevant Substitute Reference Obligations specified in the applicable Pricing Supplement or (ii) one or more obligations of the Reference Entity (either directly or as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

(A) In the event that (1) a Reference Obligation is redeemed in whole (or in part with respect to Linear Basket Credit Linked Notes) or (2) in the opinion of the Calculation Agent (x) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (y) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (z) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

(B) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then, at the Calculation Agent's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (x) the Issue Date and (y) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent in good faith and a commercially reasonable manner, of the delivery and payment obligations under the Notes and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation(s).

(C) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to the Pricing Supplement, any of the events set forth under subparagraph (A) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines in good faith and in a

commercially reasonable manner that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(D) If more than one specific Reference Obligation is identified as a Reference Obligation in the Pricing Supplement, any of the events set forth under subparagraph (A) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in good faith and a commercially reasonable manner that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(E) If (1) more than one specific Reference Obligation is identified as a Reference Obligation in the Pricing Supplement, any of the events set forth under subparagraph (A) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for any of the Reference Obligations, or (2) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under subparagraph (A) above has occurred with respect to such Reference Obligation and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either (i) Cash Settlement is specified as the Settlement Method in the applicable Pricing Supplement (or is applicable pursuant to the Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (ii) either Auction Settlement or Physical Settlement is specified as the Settlement Method in the applicable Pricing Supplement (or, in the case of Physical Settlement, is applicable pursuant to the Fallback Settlement Method) and, in each case, the Reference Obligation is the only Deliverable Obligation and (B) on or prior to the Extension Date, a Substitute Reference Obligation has not been identified, the Issuer shall have the right on or after the Extension Date to early redeem the Notes at the Early Redemption Amount (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of early redemption) by notice to Noteholders in accordance with Condition 17.

(F) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

(x) In the event that (A) the Guarantor (or any Affiliate thereof) becomes a Successor to any Reference Entity as a result of a Succession Event or (B) the Guarantor (or any affiliate thereof) and any Reference Entity become affiliates, then the Calculation Agent shall in good faith replace such Reference Entity with another entity, which shall constitute a Reference Entity for purposes of these Notes, such replacement Reference Entity being of substantially similar credit quality, ratings, and if reasonably practicable, the same industry classification (as defined by Moody's) as such Reference Entity, that will not cause the implied credit quality of the Notes to change relative to such implied credit quality immediately prior to the day such Succession Event was legally effective, in each case as determined by the Calculation Agent.

(xi) For the purposes of this paragraph (b), the following definitions shall apply and, where relevant, shall modify the definitions set out elsewhere in the Conditions and/or the applicable Pricing Supplement:

Best Available Information means:

(A) in the case of a Reference Entity which files information (including unconsolidated, *pro forma* financial information which assumes that the relevant Succession Event has occurred) with its primary securities regulators or primary stock exchange or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, *pro forma* financial information or, if provided subsequently to unconsolidated, *pro forma* financial information but before the Calculation Agent makes its determination for the purposes of this paragraph (b), other information that is contained in any written communication provided by the Reference Entity to its primary securities regulators, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

(B) in the case of a Reference Entity which does not file with securities regulators or a stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (A) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of this paragraph (b).

Information which is made available more than 14 days after the legally effective date of the Succession Event shall not constitute Best Available Information.

Relevant Obligations means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity to which such Relevant Obligations are transferred on the basis of the Best Available Information. If the date on which the Best Available Information is available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

Succession Event means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spinoff or other similar event in which one entity succeeds to the obligations of another entity whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (B) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date applicable to the relevant Series. In the case of Linear Basket Credit Linked Notes, satisfaction of the Conditions to Settlement following a Credit Event with respect to any of the non-Succession event Reference Entities will only cause redemption of a portion of the principal amount of each Linear Basket Credit Linked Note equal to the Applicable Proportion.

Succession Event Backstop Date means (i) for purposes of any event that constitutes a Succession Event for purposes of the relevant Notes, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date or (ii) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, and (III) the Succession Event Notice is delivered by the Calculation Agent to the Principal Paying Agent not more than fourteen

calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless specified in the applicable Pricing Supplement that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

Succession Event Notice means a notice from the Calculation Agent to the Issuer that describes a Succession Event that occurred on or after the Succession Event Backstop Date.

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, of (i) whether a Succession Event has occurred and (ii) if relevant, the identity of any Successor(s).

Succession Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(A) whether an event that constitutes a Succession Event for purposes of a Series has occurred with respect to the relevant Reference Entity; and

(B) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

For the purposes of this Condition 9.14, **succeed** means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to subparagraph (a)(i)(A) above shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

Subsequent to a Succession Event, the Obligation Characteristics and Deliverable Obligation Characteristics of any Successor shall continue to be the same Obligation Characteristics and Deliverable Obligation Characteristics of the relevant predecessor Reference Entity of such Successor, unless the Calculation Agent notifies the Issuer and the Noteholders that the Obligation Characteristics and/or Deliverable Obligation Characteristics have been updated to reflect the then market standard based upon each such Successor's geographic region of organisation or jurisdiction.

9.15 Definitions

The capitalised terms used herein and not otherwise defined herein or in the applicable Pricing Supplement have the meanings set out in the 2003 ISDA Credit Derivatives Definitions as supplemented by (a) the May 2003 Supplement to the 2003 ISDA Definitions, (b) the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions, (c) the latest Credit Derivatives Physical Settlement Matrix published by ISDA as at the trade date of the Notes on *www.ISDA.org*, (d) the ISDA 2009 Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on 12 March 2009 and (e) the ISDA 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published on 14 July 2009, each published by the International

Swaps and Derivatives Association, Inc. (together, the **Definitions**) (in each case as supplemented or amended in the applicable Pricing Supplement), save that any references in such definitions to the **related Confirmation** shall be deemed to refer instead to the **applicable Pricing Supplement**, references to the **Credit Derivative Transaction** shall be deemed to refer instead to the **Notes**, references to the **Buyer** shall be deemed to refer instead to the **Issuer**, and references to the **Seller** shall be deemed to refer instead to the **Noteholder(s)**. The Definitions are hereby incorporated by reference herein, and shall apply *mutatis mutandis* to the Notes. In the event of any inconsistency between the capitalised terms defined in the Pricing Supplement and/or the Conditions on the one hand and the Definitions on the other, the capitalised terms defined in the Pricing Supplement and/or the Conditions shall prevail. In the case of Credit Linked Notes which are to be redeemed by Physical Settlement, the provisions of Condition 18 below shall apply if so specified (with such modifications, if any, as may be provided) in the applicable Pricing Supplement.

For the purposes of this Condition 9 (unless otherwise specified in the applicable Pricing Supplement or the context otherwise requires):

Additional Credit Event means, in respect of Notes, an event specified as such in the applicable Pricing Supplement;

Affiliate means, in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes control means ownership of a majority of the voting power of an entity (or, as the Calculation Agent determines appropriate) an entity with the power to direct or cause the direction of the management and policies of the First Entity, whether by contract or otherwise;

Applicable Proportion means, in respect of a redemption of a Note, (a) if the Note is not a Linear Basket Credit Linked Note, 100 per cent., or (b) if the Note is a Linear Basket Credit Linked Note, an amount (expressed as a percentage) equal to the nominal amount of the Reference Entity to which the relevant Credit Event relates divided by the Aggregate Nominal Amount of the Notes outstanding as at the related Event Determination Date;

Assignable Loan means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

Auction has the meaning set forth in the relevant Transaction Auction Settlement Terms as amended, if applicable, by the Auction Resolution;

Auction Cancellation Date has the meaning set forth in the relevant Transaction Auction Settlement Terms; **Auction Covered Transaction** has the meaning set forth in the relevant Transaction Auction Settlement Terms; **Auction Final Price** has the meaning set forth in the relevant Transaction Auction Settlement Terms;

Auction Final Price Determination Date has the meaning set forth in the Transaction Auction Settlement Terms;

Auction Settlement means settlement in accordance with Condition 9.2;

Auction Settlement Amount means an amount, based on the Auction Final Price determined and calculated as specified in the applicable Pricing Supplement;

Auction Settlement Date means the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or if a number of Business Days is not specified, five (5) Business Days immediately following the Auction Final Price Determination Date.

Bankruptcy means a Reference Entity: (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in

writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) (inclusive);

Bond or Loan means an Obligation which is a Bond or Loan;

Borrowed Money means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

Business Day means a Business Day as defined in Condition 6.2 and, in the case of Notes that the Issuer is to redeem by means of Physical Settlement, for the purposes of the Delivery of Deliverable Obligations, a day in any other jurisdiction on which securities settlement systems are open for settlement of the relevant Deliverable Obligations;

Calculation Agent means the entity designated for such purpose as is specified in the applicable Pricing Supplement;

Cash Settlement Amount means, unless specified otherwise in the applicable Pricing Supplement, for each obligation being valued, being solely the Reference Obligations to the extent Cash Settlement applies, the greater of (a) the aggregate of (i) the outstanding principal balance, Due and Payable Amount or Currency Amount, as applicable, of each such obligation being valued as selected by the Calculation Agent, multiplied by (ii) the Final Price with respect to such obligation and (b) zero;

Cash Settlement Date shall be the date that is three Business Days after the calculation of the Final Price or such other date as is specified in the applicable Pricing Supplement;

Conditionally Transferable Obligation means a Deliverable Obligation or Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation or Valuation Obligation, as the case may be, other than Bonds, provided, however, that a Deliverable Obligation or Valuation Obligation, as the case may be, other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation or Valuation Obligations, as the case may be, other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation or Valuation Obligations, as the case may be) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation or Valuation Obligations, as the case may be, provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation or Valuation Obligations be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation or Valuation Obligations be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation or a Valuation Obligation, as the case may be, satisfies the requirements of the definition of "Conditionally Transferable Obligation", such determination shall be made as of the Delivery Date for the Deliverable

Obligation or the Valuation Date for the Valuation Obligation, as the case may be, taking into account only the terms of the Deliverable Obligation or the Valuation Obligation, as the case may be, and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor, as the case may be;

Consent Required Loan means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

Credit Derivatives Auction Settlement Terms means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by ISDA on its website at *www.isda.org* (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules;

Credit Derivatives Determinations Committees means the committees established pursuant to the ISDA 2009 Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on 12 March 2009, for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at *www.isda.org* (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the **Rules**);

Credit Event means any one or more of the events specified as such in the applicable Pricing Supplement or any Additional Credit Event specified in the applicable Pricing Supplement. For the avoidance of doubt, a Credit Event may only occur from (and including) the Credit Event Backstop Date to (and including) the Extension Date;

Credit Event Backstop Date means (a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for purposes of the relevant Notes, as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date (which can be a date before the Issue Date) or (b) otherwise, the date that is 80 calendar days prior to the earlier of (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Pricing Supplement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during the Notice Delivery Period and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Pricing Supplement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention. If the last day of any period is the Credit Event Backstop Date or the Succession Event Backstop Date, such last day shall not be subject to any adjustment in accordance with any Business Day Convention;

Credit Event Cut-Off Date means the date as specified in the relevant Pricing Supplement, which is. the date until which the Issuer has purchased credit protection in respect of the Reference Entity or Reference Entities if different from the Scheduled Maturity Date, which shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Pricing Supplement

Credit Event Determination Date means, in respect of any Credit Event:

(a) subject to subsection (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable

Pricing Supplement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during either:

(A) the Notice Delivery Period; or

(B) the period (I) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date (II) to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or

(b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred, either:

(A) the Credit Event Resolution Request Date, if either:

(I) (i) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Pricing Supplement;

(1) the relevant Credit Event is not a Restructuring; and

(2) either:

(y) Auction Settlement is specified as the applicable Settlement Method in the applicable Pricing Supplement and the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or

(z) Auction Settlement is not specified as the applicable Settlement Method in the applicable Pricing Supplement and the Trade Date occurs on or prior to the relevant DC Credit Event Announcement; or

(II) (ii) either:

(y) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Pricing Supplement and "Auction Settlement" is specified as the applicable Settlement Method in the applicable Pricing Supplement; or

(z) the relevant Credit Event is a Restructuring; and

(2) the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the date falling two Business Days after the Exercise Cut-off Date; or

(B) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during (I) the Notice Delivery Period or (II) the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:

(I) (i) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Pricing Supplement;

(1) the relevant Credit Event is not a Restructuring;

(2) Auction Settlement is not specified as the applicable Settlement Method in the applicable Pricing Supplement; and

(3) the Trade Date occurs following the relevant DC Credit Event Announcement; or

(II) (ii) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Pricing Supplement; and

(1) either:

(y) Auction Settlement is not specified as the applicable Settlement Method in the applicable Pricing Supplement; or

(z) Auction Settlement is specified as the applicable Settlement Method in the applicable Pricing Supplement and the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the date falling two Business Days after the relevant Exercise Cut-off Date,

provided that, in the case of paragraph (b) above, no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date;

provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the relevant Settlement Date, the Credit Event Redemption Date or the Scheduled Maturity Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof;

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to a preceding Interest Payment Date, the Calculation Agent will determine (1) such adjustment(s) to these provisions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Noteholders as would have prevailed had a Credit Event Determination Date not occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s);

Credit Event Notice means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date and on or prior to of the Extension Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out at Condition 17;

Credit Event Redemption Amount means the Auction Settlement Amount, the Delivery of Deliverable Obligations in accordance with Physical Settlement or the Cash Settlement Amount (as appropriate);

Credit Event Redemption Date means: (a) in the case of Auction Settlement, the Auction Final Price Determination Date, (b) in the case of Cash Settlement, the Cash Settlement Date; (c) in the case of Physical Settlement, the Physical Settlement Date; or (d) if Physical Settlement applies but on the Physical Settlement Date some or all of the Deliverable Obligations specified in the Notice of Physical Settlement cannot be delivered for any reason as set out in Conditions 9.5, 9.6, 9.7 and 9.8 above, the Partial Cash Settlement Terms (as set out in Condition 9.9) will apply. In such case: (i) if all such Deliverable Obligations cannot be delivered as aforementioned, the Credit Event Redemption Date will be the third Business Day after the Cash Settlement Date (as defined in Condition 9.9); or (ii) if only some of such Deliverable Obligations cannot be delivered as aforementioned, the Credit Event Redemption Date for all such Deliverable Obligations shall be the later of (A) three Business days after the Cash Settlement Date that applies to such Deliverable Obligations that cannot be delivered as aforementioned, and (B) three Business Days after the Physical Settlement Date for such Deliverable Obligations which can be delivered;

Credit Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

(a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; and

(b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in paragraphs (a) and (b) above;

DC Credit Event Announcement means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) such event occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date. A DC Credit Event Announcement will be deemed not to have occurred unless (i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is twenty-one (21) calendar days following the No Auction Announcement Date, if any, as applicable;

DC No Credit Event Announcement means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof);

DC Resolution has the meaning set out in the Rules;

Default Requirement means the amount specified as such in the applicable Pricing Supplement, and if none is specified, the amount will be US$10,000,000 or the equivalent in any other currency;

Deliverable Obligation means:

(a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar

entity if such entity is a Reference Entity) or, if "All Guarantees" is specified as applicable in the applicable Pricing Supplement, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 9.1(b)(i) -(iv)) or right of set-off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(b) subject to the second sentence in the definition of "Not Subordinated", each Reference Obligation, unless specified in the applicable Pricing Supplement as an Excluded Deliverable Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 9.1(b)(i) -(iv)) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any other obligation of a Reference Entity specified as such in the applicable Pricing Supplement, provided that:

(i) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified as applicable in the applicable Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Fully Transferable Obligation, and (B) has a final maturity date not later than the Restructuring Maturity Limitation Date; and

(ii) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" are specified as applicable in the applicable Pricing Circular Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Conditionally Transferable Obligation, and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

If the term "Deliverable Obligation" is to apply to Notes to be redeemed by the Issuer by means of Cash Settlement, references to "Delivery Date" shall be deemed to be references to "Valuation Date".

The Deliverable Obligations to be delivered by the Issuer to the Noteholders shall have an outstanding principal balance (excluding accrued interest) equal to the outstanding Aggregate Nominal Amount of the Notes, subject to Condition 9.8 above;

Deliverable Obligation Terms has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms;

Deliverable Obligation Provisions has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms;

Delivery Agent means the entity designated for such purpose as specified in the applicable Pricing Supplement;

Delivery Date means, with respect to a Deliverable Obligation, the date on which such Deliverable Obligation is delivered;

Due and Payable Amount means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation (or Valuation Obligation if "Valuation Obligation" is specified as applicable in the relevant Pricing Supplement), on the Delivery Date or Valuation Date, as applicable, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

Enabling Obligation means an outstanding Deliverable Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Credit Event Cut-Off Date or Scheduled Maturity Date, as applicable and following the Limitation Date immediately preceding the Credit Event Cut-Off Date or Scheduled Maturity Date, as applicable (or, in circumstances where the Credit Event Cut-Off Date or Scheduled Maturity Date as applicable occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any);

Event Determination Date means, in respect of any Credit Event, the first date on which the related Credit Event Notice and, if specified as applicable in the applicable Pricing Supplement, the Notice of Publicly Available Information are effective in accordance with the Conditions. With respect to Linear Basket Credit Linked Notes, an Event Determination Date may occur in respect of each Reference Entity comprised in the basket, provided that, other than in respect of a Restructuring, the Conditions to Settlement shall apply only once to each such Reference Entity;

Excluded Valuation Obligation means any obligation of a Reference Entity specified as such or of a type described in the applicable Pricing Supplement.

Exercise Cut-off Date means, with respect to a Credit Event:

(a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, such Restructuring has occurred with respect to the relevant Notes for which neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Pricing Supplement), either:

(i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;

(ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

(iii) the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or

(b) if such Credit Event is a Restructuring for purposes of the relevant Notes for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Pricing Supplement and:

(i) the relevant Credit Derivatives Determinations Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the

date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules; or

(ii) a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date;

Extension Date means the latest of:

(a) the Credit Event Cut-Off Date in case the credit protection ends on the Scheduled Maturity Date instead of the Credit Event Cut-Off Date, insert Scheduled Maturity Date;

(b) the Grace Period Extension Date if:

(i) "Grace Period Extension" is specified as applying in the applicable Pricing Supplement,

(ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable; and

(iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable.

(c) the Repudiation/Moratorium Evaluation Date if:

(i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in paragraph (b) of the definition of Repudiation/Moratorium occurs after the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable;

(ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable; and

(iii) the Repudiation/Moratorium Extension Condition is satisfied.

Failure to Pay means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure;

Fallback Settlement Method means, with respect to Notes for which Auction Settlement is specified as the applicable Settlement Method in the applicable Pricing Supplement, the fallback settlement method specified in the applicable Pricing Supplement or, if no Fallback Settlement Method is specified, Cash Settlement shall apply;

Final List has the meaning set out in the Rules;

Final Price means the price of the Reference Obligation or Valuation Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Pricing Supplement.

The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Noteholders at the specified office of the Agent and, for so long as the Notes are listed on any stock exchange at the office of any Paying Agent in such place as may be required by the rules and regulations of that stock exchange (i) each such Quotation that it receives in

connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

Full Quotation means each firm bid quotation obtained from a Dealer;

Fully Transferable Obligation means a Deliverable Obligation or a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation or a Valuation Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation or a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation or a Valuation Obligation satisfies the requirements of this definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Date, taking into account only the terms of the Deliverable Obligation or a Valuation Obligation and any related transfer or consent documents which have been obtained by the Issuer;

ISDA means the International Swaps and Derivatives Association, Inc.;

Latest Maturity Restructured Bond or Loan has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date";

Limitation Date means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **2.5-year Limitation Date**), 5 years (the **5-year Limitation Date**), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the **20-year Limitation Date**), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless it is specified in the applicable Pricing Supplement that Limitation Dates will be adjusted in accordance with a specified Business Day Convention;

Linear Basket Credit Linked Notes means Notes which are specified as such in the applicable Pricing Supplement, in respect of which the Issuer purchases credit protection from Noteholders in respect of two or more Reference Entities and pursuant to which, on each occasion on which a Credit Event occurs and the Conditions to Settlement are satisfied with respect to any of the Reference Entities, the Notes will be redeemed in part in an amount determined by reference to the nominal amount related to such Reference Entity;

London Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London;

Maturity Deferral Condition means either (i) there are more Pending Request(s); or (ii) a Credit Event Determination Date has occurred and has not yet been settled;

Maturity Extension Notice means a notice suspending the Scheduled Maturity Date as the Maturity Date, which may be published by the Issuer on any date that falls on or prior to the Scheduled Maturity Date if a Maturity Deferral Condition is fulfilled;

Modified Restructuring Maturity Limitation Date means, with respect to a Deliverable Obligation, the date that is the later of (a) the Maturity Date and (b) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations;

Multiple Holder Obligation means an Obligation (a) that at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two thirds is required to consent to the event which constitutes a Restructuring Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b);

No Auction Announcement Date means, with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable" is specified as applicable in the applicable Pricing Supplement only, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary;

Notice Delivery Period means the period from and including the Issue Date to and including the Maturity Date;

Notice of Physical Settlement means an irrevocable notice from the Issuer confirming that the Issuer will deliver the Deliverable Obligations to the Noteholder and containing a detailed description of the type of Deliverable Obligations that the Issuer reasonably expects to deliver, which may be amended to the extent that the Calculation Agent determines that it is impracticable to deliver such Deliverable Obligations;

Notice of Publicly Available Information means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer and the Principal Paying Agent that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. The notice given must contain a copy or a description in reasonable detail of the relevant Publicly Available Information. If Notice of Publicly Available Information is a Condition to Settlement in the Pricing Supplement and a Credit Event Notice cites Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information;

Not Subordinated means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the applicable Pricing Supplement, any unsubordinated Borrowed Money obligation of the Reference Entity, provided that, if any of the events set forth under part (A) of the definition of Substitute Reference Obligation in Condition 9.14 has occurred with respect to all of the Reference Obligations or if Condition 9.14(b)(ix) is applicable with respect to the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic or Valuation Obligation Characteristic, as applicable, **Not Subordinated** shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic or Valuation Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such date;

Obligation means (a) any obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar entity if such entity is a Reference Entity) or, if All Guarantees is specified as applicable in the applicable Pricing Supplement, as provider of any Qualifying Guarantee) described in the Obligation Category and having the Obligation Characteristics specified in the applicable Pricing Supplement, (b) each Reference Obligation, unless specified in the applicable Pricing Supplement as an Excluded Obligation, and (c) any other obligation of the Reference Entity specified in the applicable Pricing Supplement;

Obligation Acceleration means one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

Obligation Currency means the currency or currencies in which an Obligation is denominated;

Obligation Default means one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) have become capable of being declared due and payable before they would otherwise have been due and payable as a result of the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

Outstanding Amount means, where Notes have been redeemed *pro rata* in an amount equal to the Exercise Amount following the occurrence of a Restructuring Credit Event, the amount of Notes remaining after such redemption, being equal to the outstanding Aggregate Nominal Amount of the Notes prior to such redemption less the Exercise Amount or with respect to Linear Basket Credit Linked Notes, the outstanding nominal amount in respect of the relevant Reference Entity immediately prior to a Restructuring Credit Event will be deemed to have been specified as the Exercise Amount;

Parallel Auction means "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms;

Parallel Auction Cancellation Date means "Auction Cancellation Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms;

Parallel Auction Final Price Determination Date means "Auction Final Price Determination Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms;

Parallel Auction Settlement Date means "Auction Settlement Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms;

Parallel Auction Settlement Terms means, following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable" is specified as applicable in the applicable Pricing Supplement, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction;

Payment Requirement means the amount specified as such in the applicable Pricing Supplement or its equivalent in the relevant Obligation Currency or, if Payment Requirement is not so specified, U.S.$1,000,000 or its equivalent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

Pending Request means a Request that has not been resolved;

Permitted Currency means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership); or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's or any successor to the rating business thereof, or AAA or higher assigned to it by Fitch or any successor to the rating business thereof;

Physical Settlement means delivery of the Deliverable Obligations in accordance with Condition 9.3 above and Condition 18;

Physical Settlement Date means the date which is specified as such in the applicable Pricing Supplement;

Potential Failure to Pay means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or any conditions precedent to the commencement of

any grace period applicable to such Obligation, in accordance with the terms of such Obligations at the time of such failure;

Potential Repudiation/Moratorium means the occurrence of an event described in part (a) of the definition of "Repudiation/Moratorium";

Request means a notice to ISDA delivered in accordance with the Rules applicable to the respective DC requesting the relevant DC to resolve: whether an event that constitutes (a) a Credit Event; or (b) a Potential Failure to Pay; or (c) a Potential Repudiation/Moratorium has occurred with respect to a Reference Entity (or an Obligation thereof);

Qualifying Policy means (a) a financial guarantee insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all interest and principal payments (which may exclude certain default interest and indemnities) of an instrument that constitutes Borrowed Money for which another party (including a special purpose entity or trust) is the obligor, and (b) an Obligation and Deliverable Obligation (which, for the avoidance of doubt, must satisfy the relevant Deliverable Obligation Characteristics in respect of the relevant Reference Entity). In each case a Reference Entity is a monoline insurance company, notwithstanding the relevant Pricing Supplement;

Quotation means in respect of any Reference Obligation or Valuation Obligation, each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date as follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers, and if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Valuation Obligation obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which the firm quotations were not obtained on such day;

Qualifying Participation Seller means any participation seller that meets the requirements specified in the applicable Pricing Supplement. If no such requirements are specified, there shall be no Qualifying Participation Seller.

Reference Entity or **Reference Entities** means each entity specified in the applicable Pricing Supplement. Any Successor to a Reference Entity either (a) identified pursuant to the definition of "Successor" in the Credit Linked Provisions on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules shall, in each case, be the Reference Entity for the purposes of the relevant Series;

Reference Obligation means any obligation specified as such or of a type described in the applicable Pricing Supplement and any Substitute Reference Obligation;

Reference Period means the period commencing at or after 12.01 a.m., London time on (and including) the earlier of the day following the Trade Date or Issue Date (as applicable) and the Credit Event Backstop Date and ending at or prior to 11.59 p.m., London time on (and including, subject as provided below) the Scheduled Maturity Date (without prejudice to Conditions 9.10 and 9.11) or such other period as specified in the applicable Pricing Supplement.

Reference Transaction means a hypothetical credit derivative transaction:

(a) for which the Deliverable Obligation Terms and the Reference Obligation are:

(i) the same as in respect of the Notes (if such Deliverable Obligation Terms and Reference Obligation are specified in the applicable Pricing Supplement); or

(ii) if and to the extent the Deliverable Obligation Terms and/or the Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation or Valuation Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;

(b) with a scheduled termination date matching the Scheduled Maturity Date of the Notes; and

(c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements and/or any credit derivative elections made in relation to the Notes;

Relevant City Business Day has the meaning set out in the Rules;

Repudiation/Moratorium means the occurrence of both of the following events: (a) an authorised officer of a Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement (if any), or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) and (b) a Failure to Pay, determined without regard to the Payment Requirement or any change or amendment to any such Obligation as a result of (ii) above, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Extension Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (I) the Repudiation/Moratorium Extension Condition is satisfied and (II) an Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date);

Repudiation/Moratorium Extension Condition will be satisfied: (i) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium for purposes of a Series has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable, or (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available is specified as applicable in the applicable Pricing Supplement, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable, that the relevant Credit Derivatives Determinations Committee has

Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium for purposes of a Series with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium for purposes of a Series has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable;

Repudiation/Moratorium Extension Notice means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective;

Resolve has the meaning set out in the Rules, and "Resolved" and "Resolves" shall be interpreted accordingly;

Restructured Bond or **Loan** means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred;

Restructuring means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement (if any), any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation, or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to a series and the date as of which such Obligation is issued or incurred:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

(b) Notwithstanding the above, none of the following shall constitute a Restructuring: (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union; (ii) the occurrence of, agreement to, or announcement of, any of the events described in subparagraphs (a)(i)-(v) above due to any administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and (iii) the occurrence of, agreement to or announcement of any of the events described in this subparagraph (b) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

(c) For the purposes of paragraphs (a) and (b) above and paragraph (d) below, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Pricing Supplement, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) shall continue to refer to the Reference Entity.

(d) Unless Multiple Holder Obligation is specified as not applicable in the applicable Pricing Supplement, then, notwithstanding anything to the contrary in paragraphs (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a)(i)-(v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation;

Restructuring Date means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

Restructuring Maturity Limitation Date means, with respect to a Valuation Obligation or a Deliverable Obligation, as applicable, the Limitation Date occurring on or immediately following the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable, provided that, in circumstances where the Credit Event Cut-Off Date or the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **Latest Maturity Restructured Bond or Loan**) and the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable, occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan;

In the event that the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable, is later than: (i) either: (A) the final maturity date if the Latest Maturity Restructured Bond or Loan; if any; or (B) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exist or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Credit Event Cut-Off Date or the Scheduled Maturity Date, as applicable;

Rules means the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at *www.isda.org* (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof;

Scheduled Maturity Date means the date specified as such in the applicable Pricing Supplement;

Scheduled Maturity Date means the last day of the Reference Period;

Settlement Method means, if (a) Auction Settlement is specified as the applicable Settlement Method in the applicable Pricing Supplement, Auction Settlement, (b) Cash Settlement is specified as the applicable Settlement Method in the applicable Pricing Supplement, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the applicable Pricing Supplement, Physical Delivery;

Sovereign means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Pricing Supplement, and, subject as set out in the definition of "Deliverable Obligation Category", having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Pricing Supplement, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to

whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring;

Swap Unwind Amount means an amount equal to the aggregated net gain or loss to the Issuer associated with any interest rate and/or currency transactions or deposits or other hedging transactions in connection with the Notes which have been terminated, novated or otherwise amended due to the early redemption of the Notes, including without limitation losses and costs (or gains) in respect of any payment required to have been made, any loss of bargain or cost of funding, in each case as determined by the Calculation Agent;

Transaction Auction Settlement Terms means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity;

Valuation Date means the date specified in the applicable Pricing Supplement;

Valuation Obligation means:

(i) any obligation of a Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Pricing Supplement, as provider of any Qualifying Guarantee) determined pursuant to the method described in "(A) Method for Determining Valuation Obligations" below (but excluding any Excluded Valuation Obligation specified in the applicable Pricing Supplement) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in the definition of "Credit Event" above)) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Valuation Date of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(ii) subject to the second paragraph of the definition of "Not Contingent" below, each Reference Obligation, unless specified in the applicable Pricing Supplement as an Excluded Valuation Obligation;

(iii) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Valuation Obligation (but excluding any Excluded Valuation Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a)-(d) of the definition of "Credit Event" above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Valuation Obligations is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(iv) any Additional Valuation Obligation of a Reference Entity specified as such in the applicable Pricing Supplement.

(i) ***Method for Determining Valuation Obligations***. For the purposes of this definition of "Valuation Obligation", the term "Valuation Obligation" may be defined as each obligation of each Reference Entity described by the Valuation Obligation Category specified in the applicable Pricing Supplement, and, subject to (B)(2) below, having each of the Valuation Obligation Characteristics, if any, specified in the applicable Pricing Supplement, in each case, as of the date of the event which constitutes the

Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

(a) "***Valuation Obligation Category***" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Valuation Obligations, the definition of "Reference Obligations Only" shall be amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligations Only);

(b) "***Valuation Obligation Characteristics***" means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:

(A) "***Not Contingent***" means any obligation having as of the Valuation Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment).

(B) "***Assignable Loan***" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(C) "***Consent Required Loan***" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;

(D) "***Direct Loan Participation***" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(E) "***Transferable***" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

- restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

(F) "***Maximum Maturity***" means an obligation that has a remaining maturity from the first Valuation Date of not greater than the period specified in the applicable Pricing Supplement;

(G) "***Accelerated or Matured***" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross- ups and other similar amounts), is, or on or prior to the first Valuation Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

(H) "***Not Bearer***" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(ii) *Interpretation of Provisions.*

(a) If the Obligation Characteristic "Listed" is specified in the applicable Pricing Supplement, the Pricing Supplement shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;

(b) if (i) either of the Valuation Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Pricing Supplement, the Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Valuation Obligation Category; (ii) the Valuation Obligation Characteristic "Transferable" is specified in the applicable Pricing Supplement, the Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Valuation Obligation Category); or (iii) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Pricing Supplement, the Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Valuation Obligation Category;

(c) if any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Valuation Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as

Valuation Obligation Characteristics, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics; and

(d) in the event that an Obligation or a Valuation Obligation is a Qualifying Guarantee, the following will apply:

(A) For purposes of the application of the Obligation Category or the Valuation Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.

(B) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Valuation Obligation Characteristics, if any, specified in the applicable Final TermsPricing Supplement from the following list: Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Pricing Supplement, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

(C) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Valuation Obligation Characteristic of Not Subordinated, if specified in the applicable Pricing Supplement.

(D) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Valuation Obligation Characteristics, if any, specified in the applicable Pricing Supplement from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(E) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(F) The terms "outstanding principal balance" and "Due and Payable Amount" (as they are used in the Credit Linked Conditions, including without limitation, the definition of "Quotation Amount" in Credit Linked Condition 11), when used in connection with Qualifying Guarantees are to be interpreted to be the then "outstanding principal balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

(e) If only one Valuation Date is specified in the applicable Pricing Supplement, any reference in these Credit Linked Conditions to the first Valuation Date shall be deemed to be a reference to such Valuation Date.

(f) Where the Standard Terms are applicable to determine the Valuation Obligations the row entitled "Physical Settlement Period" shall not be applicable.

(v) For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Valuation Obligation as the context admits.

Valuation Time means the relevant time specified in the applicable Pricing Supplement; and

Weighted Average Quotation means the weighted average of firm bid quotations obtained from the Dealers.

In the case of Credit Linked Notes which are to be redeemed by Physical Settlement, the provisions of Condition 18 below shall apply if so specified (with such modifications, if any, as may be provided) in the applicable Pricing Supplement.

10. TAXATION

All payments of principal and interest (including any Arrears of Interest and Default Interest) in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantor (in the case of Guaranteed Notes) will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that:

(a) (in respect of payments by the Parent) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or, for the avoidance of doubt, Italian Legislative Decree No. 461 of 21 November 1997 (as amended by Italian Legislative Decree No. 201 of 16 June 1998) (as any of the same may be amended or supplemented) or any related implementing regulations; and

(b) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

(i) by, or on behalf of, a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note; or

(ii) by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or

(iii) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day (assuming such day to have been a Payment Day as defined in Condition 7.7); or

(iv) (in the case of Guaranteed Notes and Notes issued by UniCredit) in the Republic of Italy; or

(v) (in the case of Notes issued by UniCredit Ireland) in Ireland; or

(vi) (in the case of Notes issued by UniCredit International Luxembourg) in Luxembourg; or

(vii) (in respect of payments by UniCredit) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(viii) (in respect of payments by UniCredit) in all circumstances in which the procedures set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the actions or omissions of UniCredit or its agents; or

(ix) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(x) in respect of Notes that are not qualified as bonds or similar securities where such withholding or deduction is required pursuant to Law Decree No. 512 of 30 September 1983, as amended, supplemented and/or re-enacted from time to time; or

(xi) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note/Coupon to another Paying Agent in a Member State of the European Union; or

(xii) where the holder who would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements.

As used herein:

(A) **Tax Jurisdiction** means (I) (in the case of payments by UniCredit) the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, (II) (in the case of payments by UniCredit Ireland) the Republic of Ireland or any political subdivision or any authority thereof or therein having power to tax, and (III) (in the case of payment by UniCredit International Luxembourg) Luxembourg or any political subdivision or any authority thereof or therein having power to tax, or in any such case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the relevant Issuer or the Guarantor (in the case of Guaranteed Notes), as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons; and

(B) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 17.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 10 or under any obligation undertaken in addition thereto or in substitution therefor pursuant to the Trust Deed.

11. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.3 or any Talon which would be void pursuant to Condition 7.3.

In relation only to the Notes issued by UniCredit International Luxembourg, the Luxembourg Act dated 3 September, 1996 on the involuntary dispossession of bearer securities, as amended (the **Involuntary Dispossession Act 1996**), requires that any amount that is payable under the Notes, Receipts and Coupons (if any) (but which has not yet been paid to the holders of the Notes), in the event that (i) an opposition has been filed in relation to the Notes and (ii) the Notes mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), is paid to the *Caisse des consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes occurs.

12. EVENTS OF DEFAULT

12.1 Events of Default relating to Senior Notes

This Condition 12.1 applies only to Notes specified in the applicable Final Terms as being Senior Notes.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one quarter in principal amount of the Notes then outstanding, or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction), (but, in the case of the happening of any of the events mentioned in paragraphs (b) to (e) and (g), (h), (i) and (k), only if the Trustee shall have certified in writing to the Issuer and the Guarantor (in the case of Guaranteed Notes) that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer and, in the case of the Guaranteed Notes, the Guarantor that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) if default is made in the payment in the Specified Currency of any principal, premium (if any) or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or premium or 14 days in the case of interest; or

(b) if the Issuer or, in the case of Guaranteed Notes, the Guarantor fails to perform or observe any obligation or provision binding on it under the Notes or the Trust Deed (other than any obligation for payment of any principal, premium (if any) or interest in respect of the Notes) and, except where, in the opinion of the Trustee, such default is not capable of remedy (in which case the Notes will become due and repayable subject to, and immediately upon, the Trustee certifying and giving notice as aforesaid), such default continues for 30 days (or such longer period as the Trustee may permit) after written notice thereof by the Trustee to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or

(c) one or more final judgment(s) or order(s), not being susceptible to appeal, for the payment of any amount of indebtedness (being an amount of indebtedness which is material in the context of the Issuer or (in the case of Guaranteed Notes) the Guarantor) is rendered by a court of competent jurisdiction against the Issuer or (in the case of Guaranteed Notes) the Guarantor and continue(s) unsatisfied and unsteady for a period of 30 days after the date(s) thereof or, if later, the date therein specified for judgment; or

(d) the Issuer or (in the case of Guaranteed Notes) the Guarantor shall be adjudicated or found bankrupt or insolvent or shall stop or threaten to stop payment or shall be found unable to pay its debts, or any order shall be made by any competent court or administrative agency for, or any resolution shall be passed by the Issuer or (in the case of Guaranteed Notes) the Guarantor for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or, as the case may be, the Guarantor or all or substantially all of its assets and, in the case of UniCredit International Luxembourg, suspension of payments (*sursis de paiement*) measures, winding-up and liquidation (*liquidation*) proceedings; or

(e) (in the case of Notes issued by UniCredit) the Issuer or (in the case of Guaranteed Notes) the Guarantor becomes subject to an order for *Liquidazione coatta amministrativa* (within the meaning ascribed to that expression by the Italian Banking Act and the other laws of the Republic of Italy); or

(f) the Issuer or (in the case of Guaranteed Notes) the Guarantor shall be wound up, liquidated or dissolved (otherwise than for the purposes of an amalgamation, merger, reconstruction or reorganisation on terms previously approved in writing by the Trustee or an Extraordinary Resolution of the Noteholders); or

(g) the Issuer or (in the case of Guaranteed Notes) the Guarantor shall cease to carry on business or threaten to cease to carry on all or substantially all of its business (otherwise than for the purposes of an amalgamation, merger, reconstruction or reorganisation on terms previously approved in writing by the Trustee or an Extraordinary Resolution of the Noteholders); or

(h) if (i) proceedings are initiated against the Issuer or (in the case of Guaranteed Notes) the Guarantor under any applicable liquidation, insolvency, composition, examination, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official (in Luxembourg, including but not limited to, any *administrateur*, *juge-commissaire*, *liquidateur* or similar officer), or an administrative or other receiver, manager, administrator, examiner or other similar official (in Luxembourg, including but not limited to, any *administrateur*, *juge-commissaire*, *liquidateur* or similar officer) is appointed, in relation to the Issuer or (in the case of Guaranteed Notes) the Guarantor or, as the case may be, in relation to all or substantially all of the undertaking or assets of any of them, or an encumbrance, takes possession of all or substantially all of the undertakings or assets of either of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the undertakings or assets of either of them and, in the case of UniCredit International Luxembourg, suspension of payments (*sursis de paiement*) measures, winding-up and liquidation (*liquidation*) proceedings, and (ii) in any case is not discharged within 30 days (or such longer period as the Trustee may approve); or

(i) if either (i) any indebtedness for Borrowed Money in excess of €35,000,000 (or its equivalent in any other currency or currencies) of the Issuer or (in the case of Guaranteed Notes) the Guarantor shall become repayable prior to the due date for payment thereof by reason of default by the Issuer or, as the case may be, the Guarantor or shall not be repaid at maturity as extended by any applicable grace period therefor and, in either case, steps shall have been taken to obtain repayment, or (ii) any guarantee given by the Issuer or (in the case of Guaranteed Notes) the Guarantor of any indebtedness for Borrowed Money in excess of €35,000,000 (or its equivalent in any other currency or currencies) shall not be honoured when due and called; or

(j) (in the case of Guaranteed Notes) the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or

(k) any event occurs which, under the laws of the jurisdiction of incorporation of the Issuer or (in the case of Guaranteed Notes) the Guarantor, has an analogous effect to any of the events referred to in paragraphs (d), (f), (g) and (h) above.

12.2 Events of Default relating to Subordinated Notes

This Condition 12.2 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction) give notice to UniCredit or UniCredit Ireland, as the case may be, that the Notes are, and shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount plus accrued interest as provided in the Trust Deed, in case of Subordinated Notes issued by UniCredit

in the event that UniCredit shall become subject to Liquidazione Coatta Amministrativa as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy (as amended from time to time) and in case of UniCredit Ireland Subordinated Notes, in the event that:

(a) UniCredit Ireland is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts, or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of UniCredit Ireland; or

(b) proceedings are started for the examination, winding-up, dissolution, administration or reorganisation (otherwise than while solvent) of UniCredit Ireland or for the appointment of a receiver, trustee, examiner or similar officer to UniCredit Ireland or any or all of its revenues and assets; or

(c) an order is made or an effective resolution passed for the winding-up or dissolution of UniCredit Ireland.

13. ENFORCEMENT

13.1 Subject (in the case of Subordinated Notes issued by UniCredit) to paragraph 13.2 below, the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the obligations of the Issuer and/or the Guarantor under the Trust Deed or the Notes, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed as aforesaid, fails so to do within a reasonable time and such failure is continuing.

13.2 This Condition 13.2 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes issued by UniCredit.

Proceedings for the winding-up or liquidation of UniCredit may only be initiated in the Republic of Italy (and not elsewhere), by the Trustee on behalf of the Noteholders, in accordance with the laws of the Republic of Italy (except for the purposes of an Approved Reorganisation).

In these Conditions, **Approved Reorganisation** means a solvent and voluntary reorganisation involving, alone or with others, UniCredit and whether by way of consolidation, amalgamation, merger, transfer of all or part of any business or assets, or otherwise, provided that the principal resulting, surviving or transferee entity which is a banking company effectively assumes all the obligations of UniCredit under, or in respect of, the Notes and, in the case of Guaranteed Notes, the Guarantee.

14. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or the Paying Agent in Luxembourg (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. AGENTS

The names of the initial Agents and their initial specified offices are set out below. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Paying Agent (which may be the Principal Paying Agent), having a specified office in a Member State of the European Union other than the jurisdiction in which the Issuer or the Guarantor (as the case may be) is incorporated, and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange, the competent authority or other relevant authority;

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent; and

(d) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.6. Except as provided in the Agency Agreement, any variation, termination, appointment or change shall only take effect after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and Noteholders in accordance with Condition 17.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor (in the case of the Guaranteed Notes) and, in certain circumstances specified in the Agency Agreement and the Trust Deed, of the Trustee, and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

16. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 11.

17. NOTICES

17.1 Notes other than Credit Linked Notes

All notices regarding the Bearer Notes will be deemed to be validly given if published (if and for so long as the Bearer Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which

complies with the rules of any other stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first-class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and (if and for so long as the Registered Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) if published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. In addition, for so long as any Registered Notes are listed on any other stock exchange and the rules of that exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for publication as provided above the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and (if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official of the Luxembourg Stock Exchange) if published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. In addition, for so long as any Notes are listed on any other stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published as may be required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

17.2 Credit Linked Notes

Notwithstanding the provisions of Condition 17.2 above, so long as the Notes, being Credit Linked Notes, are represented by a Global Note held in its entirety on behalf of DTC and/or Euroclear and/or Clearstream, Luxembourg, all notices to the Noteholders may be given by delivery of such notices to DTC and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given on the day on which such notice was given to DTC and/or Euroclear and/or Clearstream, Luxembourg.

Notwithstanding as aforesaid, for so long as any such Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, all notices regarding such Notes shall be deemed to be validly given if published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. Any such notice will be deemed to have been given on the date of the first publication in the required newspaper.

Subject to the requirement of the rules of the Luxembourg Stock Exchange, until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of DTC and/or Euroclear and/or Clearstream, Luxembourg, be substituted for publication as provided above the delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which such notice was given to DTC and/or Euroclear and/or Clearstream, Luxembourg.

If the Global Note is exchanged for definitive Notes, as a condition to such exchange, the relevant Noteholder will be required to give to the Issuer an address to which notices concerning the Note may be validly given. Upon any transfer of the definitive Notes, the new holder of the definitive Notes must provide to the Issuer at its specified office an address to which notices concerning the definitive Note may be validly given. Until the Issuer is informed of any new address as aforesaid it shall be entitled to deliver notices concerning the definitive Note to the last address notified to it as aforesaid, and any notice so given shall be deemed validly given notwithstanding that the definitive Note may have been transferred. Any such notice shall be deemed to have been given on the day when delivered or, if delivered after 5.00 p.m. on a business day or on a day other than a business day, on the next following business day in the place of delivery.

18. PHYSICAL SETTLEMENT

18.1 Procedure by Noteholders

If any Credit Linked Note falls to be redeemed and Physical Settlement is specified to apply in the applicable Pricing Supplement, any delivery shall be in accordance with any applicable securities laws.

In order to receive the Deliverable Obligations, as defined in the applicable Pricing Supplement (in the case of Credit Linked Notes) (the **Physical Settlement Amount**), the relevant Noteholder shall, at least ten Business Days (as defined in Condition 6.2), or such other period as may be specified in the applicable Pricing Supplement, prior to the Credit Event Redemption Date, as the case may be, (as specified in the applicable Pricing Supplement), deliver to any Paying Agent or Registrar, as the case may be, the Global Note or the definitive Note (which expression shall, for the purposes of this Condition 18, include Receipt(s) and, if applicable, all unmatured Coupons, in accordance with the provisions of Condition 6) together with:

(a) for so long as the Notes are represented by a Global Note, a notice to DTC and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, with a copy to any Paying Agent or the Registrar, as the case may be, and the Issuer, via the EUCLID System (a **EUCLID Notice**) or by such other appropriate means as shall be specified in the applicable Pricing Supplement; or

(b) if the Note is in definitive form, a completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (the **Asset Transfer Notice**) (a copy of which may be obtained from the specified office of any of the Paying Agents) with a copy to the Issuer.

A EUCLID Notice, Asset Transfer Notice or other form of notice specified in the applicable Pricing Supplement, as the case may be, is referred to herein as a **Notice**.

(c) The EUCLID Notice referred to above must:

(i) specify the name and address of the relevant Noteholder and the person from whom the Delivery Agent may obtain details for the delivery of the Physical Settlement Amount;

(ii) specify the number of Notes which are the subject of such notice and the number of the Noteholder's account at DTC, Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes;

(iii) irrevocably instruct and authorise DTC, Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Noteholder's account with such Notes on the Credit Event Redemption Date;

(iv) provide the Noteholder's Certification that it is not a U.S. person or a person within the United States (as such terms are defined in Regulation S under the Securities Act); and

(v) authorise the production of such notice in any applicable administrative or legal proceedings.

(d) The Asset Transfer Notice referred to above must:

(i) specify the name and address of the person from whom the Delivery Agent may obtain details for delivery of the Physical Settlement Amount;

(ii) authorise the production of such notice in any applicable administrative or legal proceedings; and

(iii) provide the Noteholder's Certification that it is not a U.S. person or a person within the United States (as such terms are defined in Regulation S under the Securities Act).

(e) No Notice may be withdrawn after receipt thereof by DTC, Euroclear or Clearstream, Luxembourg or the Issuer, as the case may be.

(f) After delivery of such Notice, the relevant Noteholder may not transfer the Notes which are the subject of such Notice and no transfers of the Notes specified therein represented by a Global Note will be effected by DTC and/or Euroclear and/or Clearstream, Luxembourg.

(g) Failure properly to complete and deliver a Notice may result in such Notice being treated as null and void. Any determination as to whether a notice has been properly completed and delivered as provided in this Condition 18.1 shall be made by DTC, Euroclear or Clearstream, Luxembourg or the Issuer, as the case may be, after consultation with the Delivery Agent and shall be conclusive and binding on the Issuer and the relevant Noteholder.

18.2 Procedure by the Issuer and others

Upon receipt of a duly completed Notice and (in the case of Notes in definitive form) the Definitive Note to which such Notice relates, the relevant Paying Agent or the Registrar, as the case may be, DTC, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the accountholder is the holder of the Notes referred to therein according to its books.

Subject as provided herein, in relation to each Note, the Physical Settlement Amount will be delivered at the risk of the relevant Noteholder in such commercially reasonable manner as the Delivery Agent shall, in its sole discretion, determine to be appropriate for such delivery on the due date for redemption for the Notes, provided that the relevant Note in definitive form and the Notice are delivered not later than the close of business in Luxembourg on the day (the **Notice Cut-Off Date**) which is five Business Days before the due date for redemption of the Notes.

18.3 Delay or Failure to Deliver Notice

If the relevant Note in definitive form and the Notice are delivered to the Issuer later than close of business on the Notice Cut-Off Date, then the Physical Settlement Amount will be delivered (but without prejudice to the provisions of the applicable Pricing Supplement) as soon as practicable after the due date for redemption of the Notes, at the risk of such Noteholder.

For the avoidance of doubt, such Noteholder shall not be entitled to any payment or other assets, whether of interest or otherwise, in the event of the delivery of the Physical Settlement Amount falling after the due date for redemption of the Notes pursuant to the provisions of this Condition 18 or otherwise due to circumstances beyond the control of the Issuer.

If the relevant Noteholder fails to deliver a Notice in the manner set out in these Conditions or delivers a Notice on any day falling after the day that is 180 calendar days after the Notice Cut-Off Date or, in

the case of Notes in definitive form, fails to deliver the definitive Note related thereto or fails to pay the expenses referred to in Condition 18.4, the Issuer shall be discharged from its obligation in respect of such Note and shall have no further obligation or liability whatsoever in respect thereof.

18.4 Costs and Expenses

All expenses including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties (together **Delivery Expenses**) arising from the delivery and/or transfer of the Physical Settlement Amount shall be for the account of the relevant Noteholder and no delivery and/or transfer of the Physical Settlement Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Delivery Agent by the relevant Noteholder.

18.5 Fractional Entitlement

If the Physical Settlement Amount comprises less than a whole number of securities at the relevant time, then (a) the Issuer shall not deliver and the relevant Noteholder shall not be entitled to receive in respect of its Notes that fraction of a security (the **Fractional Entitlement**) and (b) the Issuer shall pay to the relevant Noteholder a cash amount (to be paid at the same time as the securities comprising the Physical Settlement Amount) equal to the value (as determined by the Calculation Agent in its sole and absolute discretion) of such fraction of the relevant security, and such cash amount shall be deemed a part of the Physical Settlement Amount for the purposes of these Terms and Conditions.

18.6 Delivery at risk of Noteholder

Delivery of the Physical Settlement Amount by the Issuer to the Noteholder shall be at the risk of the Noteholder and no additional payment or delivery will be due to a Noteholder where the Physical Settlement Amount is delivered after its due date in circumstances beyond the control of either the Issuer or the Delivery Agent.

18.7 No further liability of Issuer

After delivery of the Physical Settlement Amount by the Issuer to a Noteholder pursuant to this Condition, but prior to the time when the Noteholder (or his designee) becomes registered as a holder of the relevant underlying security (the **Intervening Period**), neither the Issuer nor its agent or nominee shall (a) be under any obligation to deliver to such Noteholder or any subsequent beneficial owner of such relevant underlying security any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or its agent or nominee in its capacity as the registered holder of such relevant underlying security, (b) exercise any or all rights (including voting rights) attaching to such relevant underlying security during the Intervening Period without the prior written consent of the relevant Noteholder, provided that neither the Issuer nor its agent or nominee shall be under any obligation to exercise any such rights during the Intervening Period, or (c) be under any liability to such Noteholder or any subsequent beneficial owner of such relevant underlying security in respect of any loss or damage which such Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of the Issuer or its agent or nominee being registered during such Intervening Period as legal owner of such relevant underlying security.

19. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor (in the case of the Guaranteed Notes) or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of

interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do; or

(b) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall, unless the Trustee agrees otherwise, be notified to the Noteholders in accordance with Condition 17 as soon as practicable thereafter.

Without prejudice to the aforementioned discretions, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution at any time or times of any successor company (as defined in the Trust Deed) of the Issuer or any subsidiary or holding company of the Issuer or any successor company to such successor company, as the principal debtor under the Trust Deed and the Notes. Such agreement shall be subject to the relevant provisions of the Trust Deed, including (except where a successor company of the Issuer is the new principal debtor) the irrevocable and unconditional guarantee of the Notes by the Issuer and, in the case of Guaranteed Notes (except where the Guarantor is the new principal debtor), the irrevocable and unconditional guarantee of the Notes by the Guarantor. The Trustee may also agree without the consent of the Noteholders, the Receiptholders or the Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed and to the substitution (in the case of Guaranteed Notes) of any successor company of the Guarantor or any subsidiary or holding company of the Parent as the guarantor in respect of Guaranteed Notes. Any such addition shall be subject to the relevant provisions of the Trust Deed and to such amendment thereof and such other conditions as the Trustee may require. In the case of any proposed substitution or addition, the Trustee may agree, without the consent of the Noteholders, the Receiptholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons and/or the Trust Deed provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interest of the Noteholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, substitution or change of law as aforesaid), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders, whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders, (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 10 pursuant to the Trust Deed.

The provisions of articles 86 to 94-8 of the Companies Act 1915 relating to meetings of Noteholders will not apply in respect of the Notes issued by UniCredit International Luxembourg.

20. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured to its satisfaction and to be paid to its costs and expenses in priority to the claims of the Noteholders.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or the Guarantor and/or any of the Issuer's other subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and or the Guarantor and/or any of the Issuer's other subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

21. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon so that the same shall be consolidated and form a single Series with the outstanding Notes.

The Issuer may from time to time, with the prior written consent of the Trustee, create and issue other series of Notes having the benefit of the Trust Deed. The Trust Deed contains provisions for and governs the convening of a single meeting of the Noteholders and the holders of bearer or registered notes of other Series in certain circumstances where the Trustee so decides.

22. REPRESENTATIONS AND ACKNOWLEDGEMENTS (CREDIT LINKED NOTES)

EACH NOTEHOLDER (BEING IN THE CASE OF NOTES HELD BY A NOMINEE OR HELD IN A CLEARING SYSTEM, THE BENEFICIAL OWNER OF THE NOTES), BY SUBSCRIBING OR PURCHASING THE NOTES OR AN INTEREST IN THE NOTES, CONFIRMS THAT ALL OF THE FOLLOWING STATEMENTS WITH RESPECT TO THAT NOTEHOLDER ARE TRUE AND CORRECT ON THE DATE OF THE SUBSCRIPTION OR PURCHASE OF THE NOTES AND ACKNOWLEDGES THAT THE ISSUER HAS RELIED ON SUCH CONFIRMATION AND UNDERSTANDING IN ISSUING THE NOTES:

(a) The Noteholder has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Issuer.

(b) The Noteholder's purchase of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies with and is fully consistent with all investment policies, guidelines and restrictions applicable to it, and (iii) is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

(c) Except for the publication of the prospectus(es) referred to in the applicable Final Terms (the **Base Prospectus**), the Noteholder has not relied, and will not at any time rely, on the Issuer or any other member of the UniCredit Group of companies (the **Group**) in connection with its determination as to the legality or the associated merits or risks of its purchase of the Notes or as to the other matters referred to in paragraph (b) above, or to provide it with any information relating to, or to keep under review on its behalf, the business, financial condition, prospects, creditworthiness, status or affairs of the Issuer.

(d) The Noteholder has sufficient knowledge and experience in financial and business matters and has taken sufficient independent professional advice to make its own evaluation of the merits and risks of investment in the Notes and is not relying on either the views or advice of, or any information with respect to, the Issuer provided by the Issuer (except for any views or advice of, or information with respect to, the Issuer contained in the Base Prospectus) and/or any other member of the Group in that regard.

(e) The Noteholder's purchase of the Notes is lawful under the laws of the jurisdiction of its incorporation and the jurisdiction in which it operates (if different), and that such purchase will not contravene any law, regulation or regulatory policy applicable to it.

(f) The Noteholder acknowledges that the Issuer is not an agent of the Noteholder for any purpose.

(g) The Noteholder (except where the Noteholder is acting as dealer appointed under the Programme) is purchasing the Notes as principal for its own account, and/or for the account of its clients for whom the Noteholder is acting as an authorised representative, for either investment, financial intermediation, hedging or other commercial purposes and not with a view to, or for resale in connection with, any distribution or any disposition thereof, and no other person, other than the Noteholder and/or such clients, has or will have a direct or indirect beneficial interest in the Notes, other than by virtue of such person's direct or indirect beneficial interest in the Noteholder and/or such clients.

(h) Having been sent the Final Terms with respect to the Notes on or prior to the issue date, the initial Noteholder of the Notes has read the Final Terms and, having been given an opportunity to comment on the Final Terms, it understands the terms and conditions of the Notes and, in particular, those provisions relating to redemption, and it shall be bound by and deemed to have notice of the terms and conditions of the Notes.

In addition:

(i) The Noteholder has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Reference Entity, and its own independent appraisal of the Reference Obligation. The Noteholder acknowledges that the amount of principal to be repaid on the Maturity Date may be less than the stated principal amount of the Notes and may even be zero.

(j) The Noteholder has not relied, and will not at any time rely, on the Issuer or any other member of the Group (i) to provide it with any information relating to, or to keep under review on its behalf, the business, financial condition, prospects, creditworthiness, status or affairs of the Reference Entity or conduct any investigation or due diligence with respect to the Reference Entity or the Reference Obligation or (ii) to determine whether or not at the date hereof a Credit Event or an event or circumstance which, with the giving of notice or the passage of time or both, could constitute a Credit Event has occurred.

(k) In issuing the Notes, the Issuer is not making, and has not made, any representation whatsoever as to the Reference Entity, the Reference Obligation or any information contained in any document filed by the Reference Entity with any exchange or with any government entity regulating the purchase and sale of securities.

(l) The Noteholder acknowledges that the Notes are not and do not represent or convey any interest in the Reference Obligation, nor a direct or indirect obligation of the Reference Entity owing to the Noteholder, and that the Issuer is not an agent of the Noteholder for any purpose.

(m) The Issuer and each company in the Group may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, the Reference Entity or its affiliates or any other person or entity having obligations relating to the Reference Entity or the Reference Obligation, and may act with respect to such business freely and without accountability to the Noteholder in the same

manner as if the Notes did not exist, regardless of whether any such action might have an adverse effect on the Reference Obligations, the Reference Entity or such Noteholder.

(n) The Issuer and each company in the Group may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to the Reference Obligations or the Reference Entity which is or may be material in the context of the Notes and which is not or may not be known to the general public or the Noteholder. The Notes do not create any obligation on the part of the Issuer or any company in the Group to disclose to the Noteholder any such relationship or information (whether or not confidential) and neither the Issuer nor any other company in the Group shall be liable to the Noteholder by reason of such non-disclosure.

(o) The Noteholder acknowledges that the terms of the Notes are binding upon it, irrespective of the existence or amount of the Issuer's, the Noteholder's or any person's credit exposure to the Reference Entity, and the Issuer need not suffer any loss or provide evidence of any loss as a result of the occurrence of a Credit Event.

(p) The Noteholder acknowledges and agrees to abide by the transfer restrictions on transfers of the Notes set forth in the section of the Base Prospectus entitled "*Subscription and Sale and Transfer and Selling Restrictions*". The Noteholder further acknowledges that it will fully bear any financial or other liability arising from any breaches by it or its agents of such restrictions.

23. GOVERNING LAW AND SUBMISSION TO JURISDICTION

23.1 Governing law

The Trust Deed, the Agency Agreement, the Guarantee, the Notes (except for Condition 5), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law. Conditions 5.1 to 5.2 and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, Italian law.

Conditions 5.3 to 5.4 and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, the laws of Ireland.

23.2 Submission to jurisdiction

The Trustee, the Issuer and (in the case of Guaranteed Notes) the Guarantor each agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with them) and that accordingly (subject, in the case of Subordinated Notes, to the provisions of Condition 13.2) any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

The Issuer and (in the case of Guaranteed Notes) the Guarantor each hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum, and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer or (in the case of Guaranteed Notes) the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

23.3 Appointment of Process Agent

Each of the Issuers and (in the case of the Guaranteed Notes) the Guarantor agrees that any documents required to be served on it in relation to any Proceedings (including any documents which start any Proceedings) may be served on it by being delivered to UniCredit Bank AG, London Branch at Moor House, 120 London Wall, London, EC2Y 5ET or, if different, its principal office for the time being in London. In the event of UniCredit Bank AG, London Branch ceasing to act or ceasing to be registered in England, each of the Issuers and (in the case of Guaranteed Notes) the Guarantor will appoint such other person as the Trustee may approve and as the Issuers and (in the case of Guaranteed Notes) the Guarantor may nominate in writing to the Trustee for the purpose of accepting service of process on its behalf in England in respect of any Proceedings. Nothing herein shall affect the right to serve Proceedings in any other manner permitted by law.

23.4 Non-exclusivity

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder, Receiptholder or Couponholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

24. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuers for their general corporate purposes, which include making a profit. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms or in the applicable Pricing Supplement.

Description of UniCredit and the UniCredit Group

UniCredit S.p.A. (**UniCredit**), established in Genoa, Italy by way of a private deed dated 28 April 1870 with a duration until 31 December 2100, is incorporated as a joint-stock company under Italian law, with registered office at Via A. Specchi 16, 00186, Rome, Italy and is registered with the Company Register of Rome under registration number, fiscal code and VAT number 00348170101. UniCredit is registered with the National Register of Banks and is the parent company of the UniCredit Group. UniCredit's head office and principal centre of business is at Piazza Cordusio, 20123, Milan, Italy, telephone number +39 028862 8715 (Investor Relations). The fully subscribed and paid-up share capital of UniCredit as at the date of this Base Prospectus amounted to €19,654,856,199.43.

The UniCredit Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the **Group** or the **UniCredit Group**) is a leading financial services group with a well established network in 22 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European (**CEE**) countries. As at 31 December 2012, UniCredit had representative offices and branches in 22 international markets and more than 156,000 full time equivalent employees. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*).

The Group is one of the leading banks in Italy, in terms of number of branches, and among the leading banks, in terms of total assets, in many of the CEE countries in which it operates.

HISTORY

Formation of the Group

UniCredit (formerly UniCredito Italiano S.p.A.) and the UniCredit Group of which UniCredit is the parent are the result of the October 1998 business combination between the Credito Italiano national commercial banking group (established in 1870 with the name of *Banca di Genova*) and UniCredito S.p.A. (at the time the holding company owning a controlling interest in Banca CRT (*Banca Cassa di Risparmio di Torino S.p.A.*), CRV (*Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A.*) and Cassamarca (*Cassa di Risparmio della Marca Trevigiana S.p.A.*).

Since its formation, the Group has continued to expand in Italy and Eastern Europe through both organic growth and acquisitions, consolidating its role also in relevant sectors outside Europe, such as the asset management sector in the United States.

Such expansion has been characterised, in particular:

- by the business combination with HypoVereinsbank, realised through a public tender offer launched in summer 2005 by UniCredit to acquire the control over Bayerische Hypo- und Vereinsbank AG (**HVB**) – subsequently renamed UniCredit Bank AG – and its subsidiaries, such as Bank Austria Creditanstalt AG, subsequently renamed "UniCredit Bank Austria AG" (**BA** or **Bank Austria**). At the conclusion of the offer perfected during 2005, UniCredit acquired a shareholding for an amount equal to 93.93 per cent. of the registered share capital and voting rights of HVB. On 15 September 2008 the squeeze-out of HVB's minority shareholders, resolved upon by the bank's shareholders' meeting in June 2007, was registered with the Commercial Register of Munich. Therefore, the HVB shares held by the minority shareholders – equal to 4.55 per cent. of the share capital of the company – were transferred to UniCredit by operation of law and HVB became a UniCredit wholly-owned subsidiary. In summer 2005 UniCredit also conducted an exchange offer for the acquisition of all shares of BA not held by HVB at the time. At the conclusion of the offer, the Group held 94.98 per cent. of the aggregate share capital of BA. In January 2007, UniCredit – which at the time held 96.35 per cent. of the aggregate share capital of BA, including a stake equal to 77.53 per cent. transferred to UniCredit by HVB – resolved to commence the procedures to effect the squeeze-out of the minority shareholders of BA. As at the date of this Base Prospectus, UniCredit's interest in BA is equal to 99.996 per cent.

- by the business combination with Capitalia S.p.A. (**Capitalia**) — the holding company of the Capitalia banking group (the **Capitalia Group**), realised through a merger by way of incorporation of Capitalia into UniCredit effective as of 1 October 2007.

In 2008 the squeeze outs[17] of the ordinary BA and HVB shares held by minority shareholders were completed.

Proceedings as to the adequacy of the squeeze-out price and in relation to the challenge to the relevant shareholders' resolutions promoted by certain BA and SVB shareholders are still pending. For more details please refer to the Issuer's unaudited condensed interim consolidated financial statements (including review report) as of and for the year ended 31 December 2012 incorporated by reference herein.

UniCredit S.p.A. ordinary shares are listed on the Milan Stock Exchange organised and managed by Borsa Italiana S.p.A., on the Frankfurt Stock Exchange, segment *General Standard* and on the Warsaw Stock Exchange.

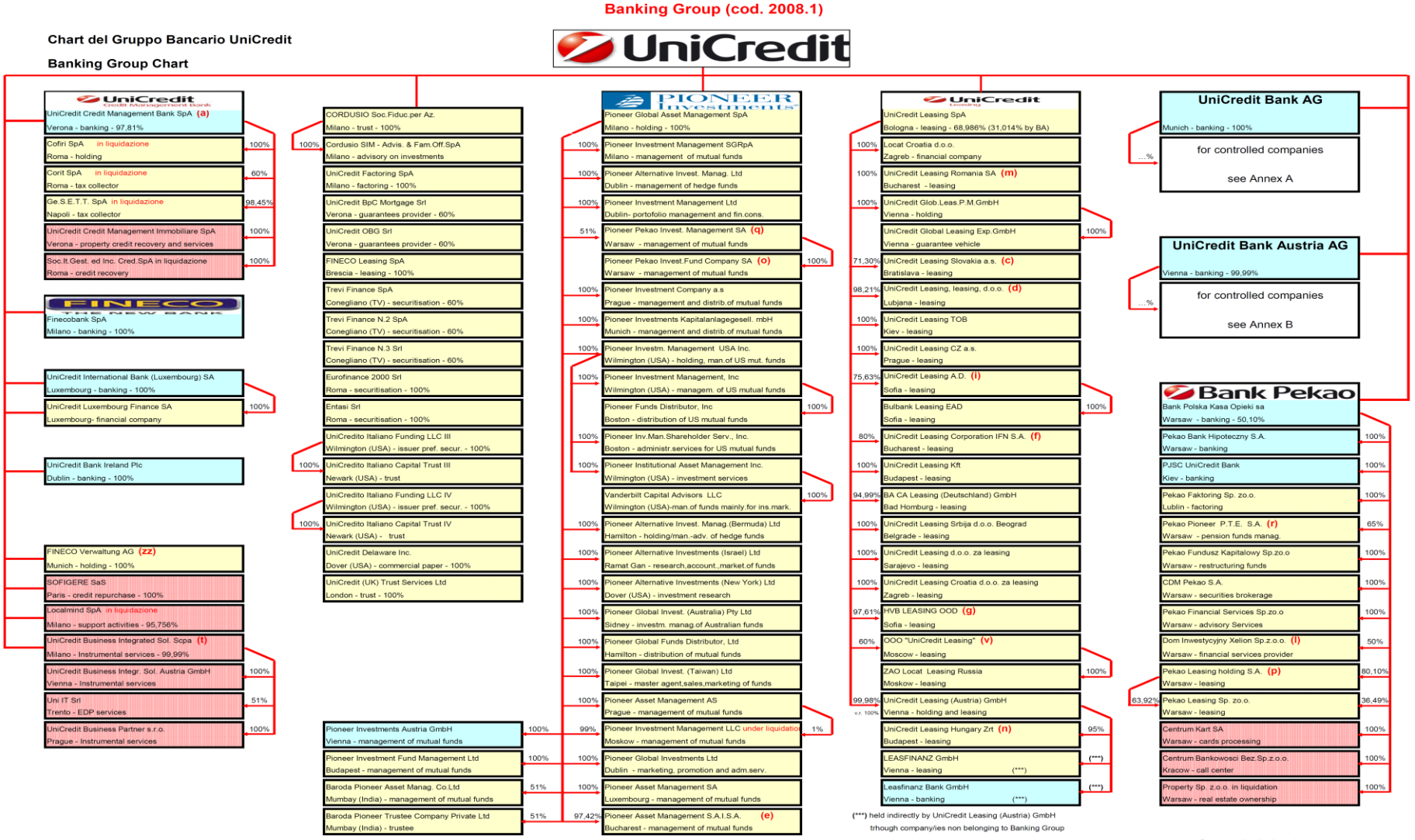
THE CURRENT ORGANISATIONAL STRUCTURE

UniCredit is the parent company of the UniCredit Group and carries out, in addition to banking activities, organic policy, governance and control functions *vis-à-vis* its subsidiary banking, financial and instrumental companies.

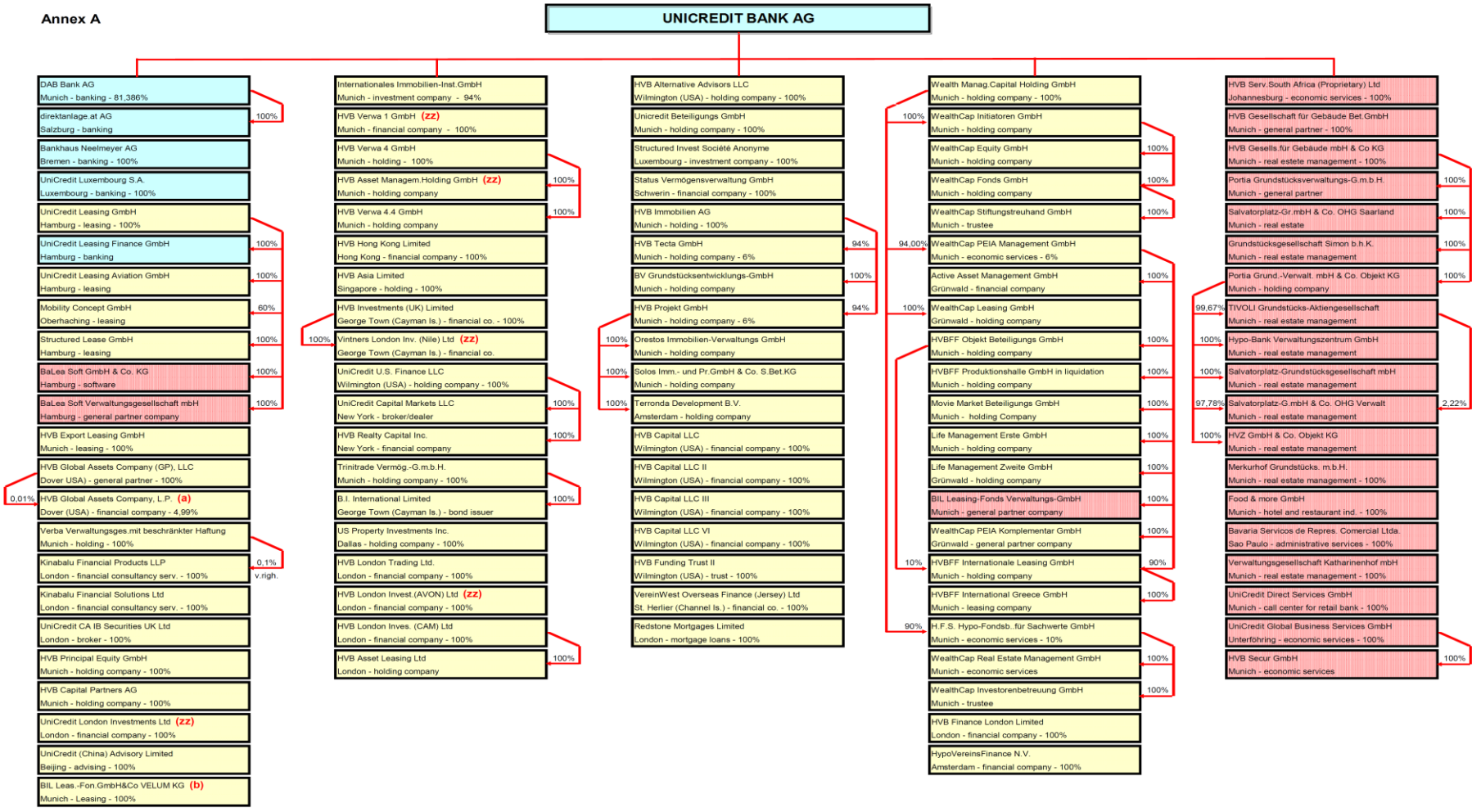
UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to the provisions of Article 61 of Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**) issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of requirements laid down by the Bank of Italy in the interest of the banking group's stability.

The following diagram illustrates the main banking group companies as at 1 July 2013:

[17] The *squeeze-out* is the process whereby a pool of shareholders owning at a certain amount of a listed company's shares (in Germany 95 per cent. and in Austria 90 per cent.) exercises its right to "squeeze out" the remaining minority of shareholders from the company paying them an adequate compensation.


Banking Group (cod. 2008.1)
Chart del Gruppo Bancario UniCredit
Banking Group Chart
UniCredit
UniCredit Credit Management Bank SpA (a)
Verona - banking - 97,81%
Cofiri SpA in liquidazione
Roma - holding
100%
Corit SpA in liquidazione
Roma - tax collector
60%
Ge.S.E.T.T. SpA in liquidazione
Napoli - tax collector
98,45%
UniCredit Credit Management Immobiliare SpA
Verona - property credit recovery and services
100%
Soc.It.Gest. ed Inc. Cred.SpA in liquidazione
Roma - credit recovery
100%
FINECO THE NEW BANK
Finecobank SpA
Milano - banking - 100%
UniCredit International Bank (Luxembourg) SA
Luxembourg - banking - 100%
UniCredit Luxembourg Finance SA
Luxembourg- financial company
100%
UniCredit Bank Ireland Plc
Dublin - banking - 100%
FINECO Verwaltung AG (zz)
Munich - holding - 100%
SOFIGERE SaS
Paris - credit repurchase - 100%
Localmind SpA in liquidazione
Milano - support activities - 95,756%
UniCredit Business Integrated Sol. Scpa (t)
Milano - Instrumental services - 99,99%
UniCredit Business Integr. Sol. Austria GmbH
Vienna - Instrumental services
100%
Uni IT Srl
Trento - EDP services
51%
UniCredit Business Partner s.r.o.
Prague - Instrumental services
100%
CORDUSIO Soc.Fiduc.per Az.
Milano - trust - 100%
100%
Cordusio SIM - Advis. & Fam.Off.SpA
Milano - advisory on investments
UniCredit Factoring SpA
Milano - factoring - 100%
UniCredit BpC Mortgage Srl
Verona - guarantees provider - 60%
UniCredit OBG Srl
Verona - guarantees provider - 60%
FINECO Leasing SpA
Brescia - leasing - 100%
Trevi Finance SpA
Conegliano (TV) - securitisation - 60%
Trevi Finance N.2 SpA
Conegliano (TV) - securitisation - 60%
Trevi Finance N.3 Srl
Conegliano (TV) - securitisation - 60%
Eurofinance 2000 Srl
Roma - securitisation - 100%
Entasi Srl
Roma - securitisation - 100%
UniCredito Italiano Funding LLC III
Wilmington (USA) - issuer pref. secur. - 100%
100%
UniCredito Italiano Capital Trust III
Newark (USA) - trust
UniCredito Italiano Funding LLC IV
Wilmington (USA) - issuer pref. secur. - 100%
100%
UniCredito Italiano Capital Trust IV
Newark (USA) - trust
UniCredit Delaware Inc.
Dover (USA) - commercial paper - 100%
UniCredit (UK) Trust Services Ltd
London - trust - 100%
PIONEER Investments
Pioneer Global Asset Management SpA
Milano - holding - 100%
100%
Pioneer Investment Management SGRpA
Milano - management of mutual funds
100%
Pioneer Alternative Invest. Manag. Ltd
Dublin - management of hedge funds
100%
Pioneer Investment Management Ltd
Dublin- portofolio management and fin.cons.
51%
Pioneer Pekao Invest. Management SA (q)
Warsaw - management of mutual funds
Pioneer Pekao Invest.Fund Company SA (o)
Warsaw - management of mutual funds
100%
100%
Pioneer Investment Company a.s
Prague - management and distrib.of mutual funds
100%
Pioneer Investments Kapitalanlagegesell. mbH
Munich - management and distrib.of mutual funds
100%
Pioneer Investm. Management USA Inc.
Wilmington (USA) - holding, man.of US mut. funds
100%
Pioneer Investment Management, Inc
Wilmington (USA) - managem. of US mutual funds
Pioneer Funds Distributor, Inc
Boston - distribution of US mutual funds
100%
100%
Pioneer Inv.Man.Shareholder Serv., Inc.
Boston - administr.services for US mutual funds
Pioneer Institutional Asset Management Inc.
Wilmington (USA) - investment services
Vanderbilt Capital Advisors LLC
Wilmington (USA)-man.of funds mainly.for ins.mark.
100%
100%
Pioneer Alternative Invest. Manag.(Bermuda) Ltd
Hamilton - holding/man.-adv. of hedge funds
100%
Pioneer Alternative Investments (Israel) Ltd
Ramat Gan - research,account.,market.of funds
100%
Pioneer Alternative Investments (New York) Ltd
Dover (USA) - investment research
100%
Pioneer Global Invest. (Australia) Pty Ltd
Sidney - investm. manag.of Australian funds
100%
Pioneer Global Funds Distributor, Ltd
Hamilton - distribution of mutual funds
100%
Pioneer Global Invest. (Taiwan) Ltd
Taipei - master agent,sales,marketing of funds
100%
Pioneer Asset Management AS
Prague - management of mutual funds
100%
Pioneer Investments Austria GmbH
Vienna - management of mutual funds
100%
Pioneer Investment Management LLC under liquidation
Moskow - management of mutual funds
99%
1%
Pioneer Investment Fund Management Ltd
Budapest - management of mutual funds
100%
100%
Pioneer Global Investments Ltd
Dublin - marketing, promotion and adm.serv.
Baroda Pioneer Asset Manag. Co.Ltd
Mumbay (India) - management of mutual funds
51%
100%
Pioneer Asset Management SA
Luxembourg - management of mutual funds
Baroda Pioneer Trustee Company Private Ltd
Mumbay (India) - trustee
51%
97,42%
Pioneer Asset Management S.A.I.S.A. (e)
Bucharest - management of mutual funds
UniCredit
UniCredit Leasing SpA
Bologna - leasing - 68,986% (31,014% by BA)
100%
Locat Croatia d.o.o.
Zagreb - financial company
100%
UniCredit Leasing Romania SA (m)
Bucharest - leasing
100%
UniCredit Global Leas.P.M.GmbH
Vienna - holding
UniCredit Global Leasing Exp.GmbH
Vienna - guarantee vehicle
100%
71,30%
UniCredit Leasing Slovakia a.s. (c)
Bratislava - leasing
98,21%
UniCredit Leasing, leasing, d.o.o. (d)
Lubjana - leasing
100%
UniCredit Leasing TOB
Kiev - leasing
100%
UniCredit Leasing CZ a.s.
Prague - leasing
75,63%
UniCredit Leasing A.D. (i)
Sofia - leasing
Bulbank Leasing EAD
Sofia - leasing
100%
80%
UniCredit Leasing Corporation IFN S.A. (f)
Bucharest - leasing
100%
UniCredit Leasing Kft
Budapest - leasing
94,99%
BA CA Leasing (Deutschland) GmbH
Bad Homburg - leasing
100%
UniCredit Leasing Srbija d.o.o. Beograd
Belgrade - leasing
100%
UniCredit Leasing d.o.o. za leasing
Sarajevo - leasing
100%
UniCredit Leasing Croatia d.o.o. za leasing
Zagreb - leasing
97,61%
HVB LEASING OOD (g)
Sofia - leasing
60%
OOO "UniCredit Leasing" (v)
Moscow - leasing
ZAO Locat Leasing Russia
Moskow - leasing
100%
99,98%
v.r. 100%
UniCredit Leasing (Austria) GmbH
Vienna - holding and leasing
UniCredit Leasing Hungary Zrt (n)
Budapest - leasing
95%
LEASFINANZ GmbH
Vienna - leasing (***)
(***)
Leasfinanz Bank GmbH
Vienna - banking (***)
(***)
(***) held indirectly by UniCredit Leasing (Austria) GmbH
trhough company/ies non belonging to Banking Group
UniCredit Bank AG
Munich - banking - 100%
....%
for controlled companies
see Annex A
UniCredit Bank Austria AG
Vienna - banking - 99,99%
....%
for controlled companies
see Annex B
Bank Pekao
Bank Polska Kasa Opieki sa
Warsaw - banking - 50,10%
Pekao Bank Hipoteczny S.A.
Warsaw - banking
100%
PJSC UniCredit Bank
Kiev - banking
100%
Pekao Faktoring Sp. zo.o.
Lublin - factoring
100%
Pekao Pioneer P.T.E. S.A. (r)
Warsaw - pension funds manag.
65%
Pekao Fundusz Kapitalowy Sp.zo.o
Warsaw - restructuring funds
100%
CDM Pekao S.A.
Warsaw - securities brokerage
100%
Pekao Financial Services Sp.zo.o
Warsaw - advisory Services
100%
Dom Inwestycyjny Xelion Sp.z.o.o. (l)
Warsaw - financial services provider
50%
Pekao Leasing holding S.A. (p)
Warsaw - leasing
80,10%
63,92%
Pekao Leasing Sp. zo.o.
Warsaw - leasing
36,49%
Centrum Kart SA
Warsaw - cards processing
100%
Centrum Bankowosci Bez.Sp.z.o.o.
Kracow - call center
100%
Property Sp. z.o.o. in liquidation
Warsaw - real estate ownership
100%
(a) # 175.000 shares owned by UniCredit Credit Management Bank SpA (c) 8,8% held by UniCredit Leasing CZ a.s. (8168), 19,90% held by UniCredit Bank Slovakia a.s. (10082 BA) (d) 1,79% held by UniCredit Bank Slovenija DD (370 BA) (e) 2,575% held by UniCredit Tiriak Bank SA (10028) (f) 20% held by UniCredit Tiriac Bank (10028 BA) (g) 2,39% held by UniCredit Bulbank AD (10073 BA) (i) 24,37% held by UniCredit Bulbank AD (10073) (l) 50% owned directly by UniCredit (m) UniCredit Tiriac Bank holds one share of the company (n) 5% held by BA Eurolease Beteiligungsgesellschaft m.b.H. (213) (o) in Polish: Pioneer Pekao TFI SA (p) 19,90% held by UniCredit Leasing SpA (q) 49% held by Bank Pekao SA (r) 35% held by Pioneer Global Asset Management SpA (t) Other companies belonging to UniCredit Group and third parties hold 10/20 shares of the company (v) 40% held by Zao UniCredit Bank (BA)
(z) to be included in the Banking Group (zz) not operative
Companies belonging to the Banking Group
banking
financial
instrumental
Updated
July 1st 2013

Annex A



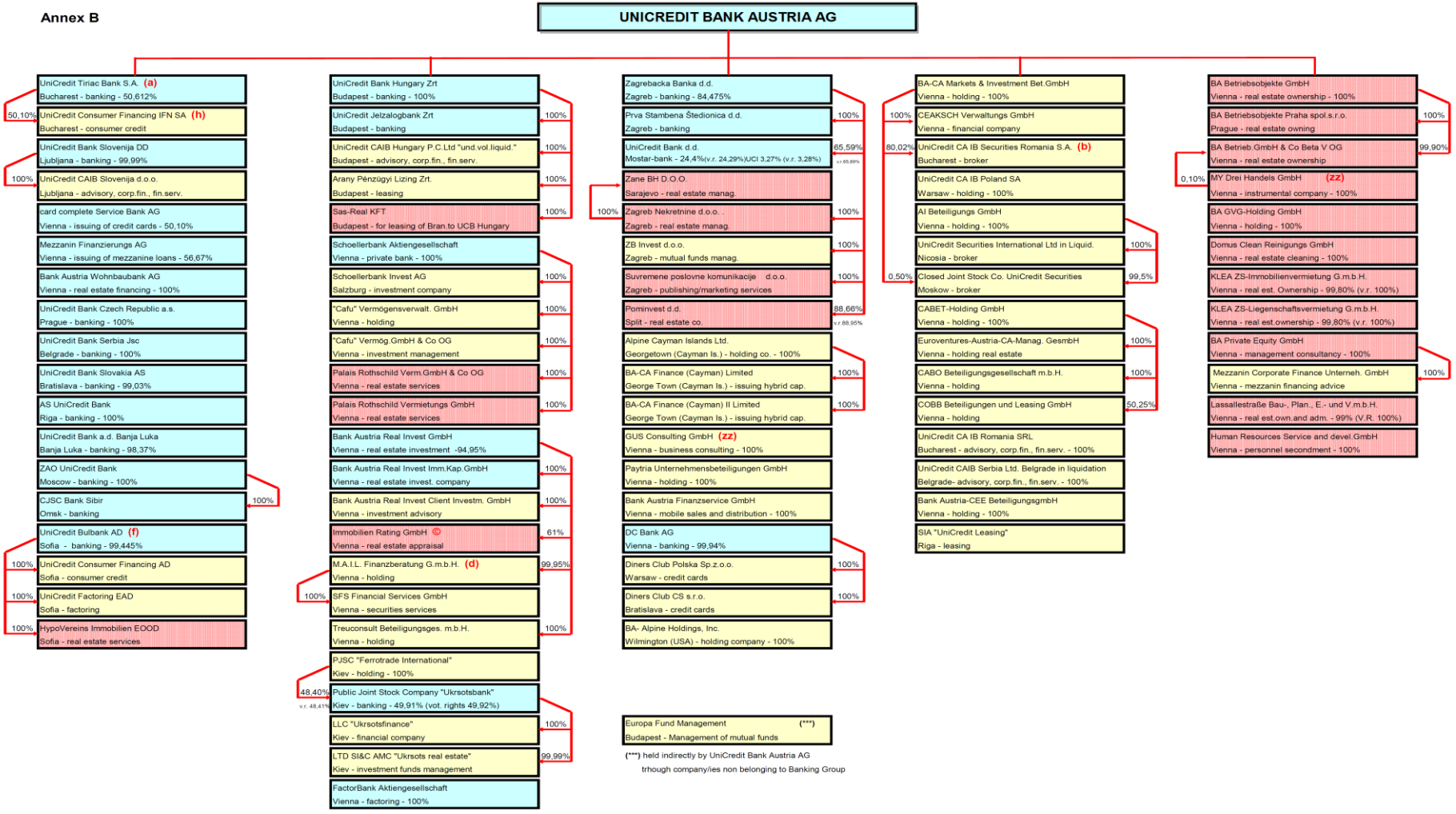
(a) UCB AG has the power to appoint all Members of the Board **(b)** Voting rights held by UCB AG (33,33%) and by #197 BIL Leasing-Fonds Verwaltungs GmbH (33,33%)
(z) to be included in the Banking Group **(zz)** not operative

Companies belonging to the Banking Group

banking
financial
instrumental

Updated
July 1st 2013

Annex B



(a) % considering shares held by other Companies controlled by BA (b) 19,98%, held by UniCredit Tiriac Bank SA (10028) (c) 19% held by BA and 19% held by UniCredit Leasing (Austria) GmbH (6193) (d) 0,05% held by Treuconsult Beteiligungsgesellschaft m.b.H. (81) (f) 0,004% held by Unicredit SpA (h) 49,9% held by UniCredit SpA
(z) to be included in the Banking Group (zz) not operative

Companies belonging to the Banking Group

banking
financial
instrumental

Updated
July 1st 2013

STRATEGY OF THE GROUP

As the parent company of the Group, pursuant to the provisions of Article 61 of the Italian Banking Act and in compliance with local law and regulations, UniCredit undertakes management and co-ordination activities in respect of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

UniCredit engages in the following main strategic functions:

- managing the Group's business expansion by developing appropriate domestic and international business strategies and overseeing acquisitions, divestitures and restructuring initiatives;
- defining objectives and targets for each area of business and monitoring performance against these benchmarks;
- defining the policies and standards relating to the Group's operations, particularly in the areas of credit management, human resources management, risk management, accounting and auditing;
- managing relations with financial intermediaries, the general public and investors;
- managing selected operating activities directly or through specialised subsidiaries in order to achieve economies of scale, including asset and liability management, funding and treasury activities and the Group's foreign branches; and
- directly managing business operations in Italy from 1 November 2010, following absorption of the Group's Italian banks[18] pursuant to the One for Clients Programme.

Furthermore, UniCredit intends to create value by pursuing the following principal strategic initiatives at the Group level:

- leveraging on its business model based on diversification both geographically and in terms of business;
- further increasing cost efficiency and simplification in Group structure and intra-group services;
- leveraging on global product lines throughout the Group's commercial networks;
- optimising the return on risk-weighted assets, while strengthening the Group's capital ratios, through a highly selective investment policy and a strong focus on risk-monitoring processes;
- strengthening profitability and cost control in Western Europe with a constant and strong commitment to support both families and companies;
- further strengthening the Group's results in Central and Eastern Europe while keeping risks under strict control; and
- greater focus on customers' needs, increased proximity to local markets through higher responsibility of local Banks/Countries and faster decision processes with the implementation of GOLD project, defining a new organisational set-up aimed also at strengthening the steering, coordination and control role of UniCredit as holding company of the Group[19].

[18] UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Corporate Banking, UniCredit Private Banking, UniCredit Family Financing Bank, UniCredit Bancassurance Management & Administration.

[19] On 18 December 2012 the Board of Directors approved the implementation, from January 2013, of the new organisational set-up.

BUSINESS AREAS[20]

Brief descriptions of the business segments through which the UniCredit Group operates are provided below.

Family & Small/Medium Enterprise (F&SME)

The F&SME sector consists of five business lines: (i) F&SME Network Italy, (ii) F&SME Network Germany, (iii) F&SME Network Austria, (iv) F&SME Network Poland and (v) F&SME Network Factories. Such business lines aim primarily to satisfy their clients' needs, being their preferred banking partner. With respect to business segments within the F&SME sector, in order to best serve the particular needs of its diverse customers, the Group subdivides its clientele into four sub-segments:

- mass market, which includes clientele with assets of up to €75,000;
- affluent, which includes clientele with assets between €75,000 and €500,000;
- small enterprises, which includes professionals and firms with turnover of up to €5 million; and
- medium enterprises, which includes firms with turnover of up to €50 million (which were previously served by the Corporate & Investment Banking business segment).

In addition, the F&SME Network Factories component of the F&SME sector operates through the following four product and service lines:

- Product Line Consumer Finance, which specialises in consumer credit and supports banking network activities in Italy, Germany, Poland, Romania, Bulgaria and Russia with solutions capable of meeting the multiple financing requirements of families (loans and "revolving" cards);
- Product Line Leasing, which is responsible for co-ordinating all activities for the structuring, pricing and marketing of leasing products in the Group with its own distribution network, which supports the Group's banking network in providing corporate financing solutions;
- Product Line Factoring, which is responsible for co-ordinating all Group activities related to the provision of factoring services, consisting of extending credit against commercial invoices assigned by customers. Through factoring, companies may obtain access to credit and benefit from a series of additional services, including management, collection and credit insurance; and
- Asset Gathering, which specializes in deposit taking from private retail customers through direct channels and financial advisers. Asset Gathering operates through FinecoBank S.p.A. (**FinecoBank**) in Italy, DAB Bank (**DAB Bank**) in Germany and Direktanlage.at AG (**DAB.at** and together with DAB Bank, the **DAB group**) in Austria, which provide all banking and investment services generally offered by traditional retail banks. These banks differentiate themselves by their focus on technological innovation, mainly through their development of innovative businesses such as online trading. In addition, these banks rely on their own sales network of financial advisors as a means of offering their financial services to its customers.

Among its various activities, the F&SME business segments also act as "factory" for the promotion and management of bancassurance services in all geographic areas, including the countries of the CEE business segment.

Corporate & Investment Banking (CIB)

The CIB division targets UniCredit Group corporate clients (with a turnover in excess of €50 million) and institutional clients in the 22 countries in which the Group operates, and supports such clients in their growth, internationalisation projects and restructuring phases. In addition, the CIB division provides corporate clients

[20] The following description of Business Areas is in line with the Segment Reporting of the Consolidated Group Results as of 30 September 2012 and does not correspond to the new organisational set-up implemented in January 2013, which was reflected in Segment Reporting of Consolidated Group Results starting from the first quarter of 2013.

with advanced services in connection with their operations in global financial markets and their involvement in investment banking transactions.

The organisational structure of CIB is based on a matrix that distinguishes (i) market coverage (carried out through the Group's country-specific commercial networks (Italy, Germany, Austria and Poland)) and (ii) product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).

The dedicated country-specific commercial networks (CIB Network Italy, CIB Network Germany, CIB Network Austria and CIB Network Poland) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of dedicated financial products and services, ranging from traditional lending and merchant banking services to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial market.

The three Product Lines supplement and add value to the activities of the commercial networks and the marketing of the relevant products. The Product Lines are broken down as follows:

- ***Financing and Advisory (F&A)***

  F&A is the centre for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a broad variety of services ranging from plain vanilla and standardised products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Shipping Finance and Principal Investments.

- ***Markets***

  Markets is the centre for all financial markets activities across the UniCredit Group's businesses and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralised "product line", it is responsible for the coordination of financial markets-related activities, including the structuring of products such as FX, rates, equities and credit related activities.

- ***GTB***

  GTB is the centre for cash management and e-banking products, supply chain finance and trade finance products, structured trade & export finance operations and global securities services.

Private Banking

The Private Banking Division provides high net worth individuals with solutions and services to manage their personal wealth. Among others it is catering to the needs of entrepreneurs, top managers and other opinion leaders thus serving some of UniCredit's key clients. Independent advisory leading to advanced solutions, an uncompromising focus on customer value and constantly striving for excellence are the core values of Private Banking.

The Division boasts trustful and lasting relationships with more than 200,000 clients in Italy, Germany, Austria, Luxembourg, and Poland managed by more than 1,200 private bankers located in about 250 branch offices.

Asset Management

Asset Management business segment operates through Pioneer Investments, the company within the UniCredit Group specializing in the management of customer investments worldwide.

The business segment acts as a centralised product factory and, in addition, directs, supports and supervises the development of local business at a regional level.

Leveraging on different investment partnerships with third-party financial institutions on an international level, Asset Management offers a wide range of financial solutions, including mutual funds, asset administration services and portfolios for institutional investors.

Pioneer Investments is focusing on the organic growth plan designed to further enhance the quality of product offering while maintaining focus on delivering an outstanding level of client service. The key initiatives of the plan include: expansion in new regions with interesting business opportunities; restructuring investment centres; establishing a new hub in London specializing on Emerging Markets; widening the product offering in core regions i.e. USA.

Central and Eastern Europe (CEE)

The Group operates, through the CEE business segment, in 16 Central and Eastern Europe countries, including Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine[21]. The CEE business segment operates through approximately 2,600 branches and offers a wide range of products and services to retail, corporate and institutional clients in such countries. BA manages this segment and acts as sub-holding for the banking operations in the CEE countries.

The UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German, Austrian and Polish customers.

With respect to corporate clients, the UniCredit Group is constantly engaged in standardising the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions, to corporate customers operating in more than one CEE country.

Group Corporate Center

The Group Corporate Center includes:

- ***GBS***

  The Global Banking Services division, whose mission is to optimize costs and internal processes to deliver operating excellence and support sustainable growth for the Business Lines, comes within the scope of competence of the COO, whose main areas of responsibility are: ICT, Operations, Workout, Real Estate, Global Sourcing, Security.

  The division underwent a streamlining process in 2011, effective as of 1 January 2012, consolidating companies and entities dedicated to providing Information & Communication Technology (ICT), Operations, Real Estate, Security and Procurement services.

  The new global service provider, called UniCredit Business Integrated Solutions, organizes its work through operating units called Business Lines and Service Lines. and has a workforce of approximately 11,000 in 11 countries; and

  Corporate Center

  The Corporate Center's objective is to guide, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence.

[21] During the fourth quarter of 2012, the companies JSC ATF BANK, UNICREDIT BANK OJSC, ATF CAPITAL B.V., ATF FINANCE JSC and ATF INKASSATSIYA LTD, operating in Kazakhstan, were reclassified to discontinued operations and related liabilities and therefore measured at the lower of carrying amount and fair value less costs to sell - as described in 'Notes to the Consolidated Accounts of UCG 2012 Consolidated reports and Accounts (page 203), incorpotared by reference herein.

GOLD Project

The description of the above mentioned business areas does not reflect the new organisational set-up implemented with GOLD project, in force as of January 2013, that was reflected in Segment Reporting of Consolidated Group Results starting from the first quarter of 2013.

LEGAL PROCEEDINGS

UniCredit S.p.A. and other UniCredit Group companies are involved in legal proceedings. From time to time, past and present directors, officers and employees may be involved in civil or criminal proceedings the details of which the UniCredit Group may not lawfully know about or communicate.

The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, privacy and information security rules and others. Failure to do so may lead to additional litigation and investigations and subject the Group to damages claims, regulatory fines, other penalties or reputational damage.

In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of countries in which it operates. These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies or its clients.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings brought by the relevant supervisory authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class action in the United States). In such cases, given the infeasibility of predicting possible outcomes and estimating losses (if any) in a reliable manner, no provisions have been made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with international accounting standards IAS.

To protect against possible liabilities that may result from pending lawsuits (excluding labour law, tax cases or credit recovery actions), the UniCredit Group has set aside a provision for risks and charges of €1,324 million as at 31 December 2012. The estimate for reasonably possible liabilities and this provision are based upon currently available information but, given the numerous uncertainties inherent in litigation, involve significant elements of judgment. In some cases it is not possible to form a reliable estimate, for example where proceedings have not yet been initiated or where there are sufficient legal and factual uncertainties to make any estimate purely speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending lawsuits may prove to be substantially higher.

Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit Group and/or its financial situation.

Set out below is a summary of information relating to matters involving the UniCredit Group which are not considered groundless or in the ordinary course. Please note that labour law, tax and credit recovery actions are excluded from this section.

Madoff

Background

In March 2009, Bernard L. Madoff (**Madoff**), former chairman of the NASDAQ Exchange and owner of Bernard L. Madoff Investment Securities LLC (**BMIS**), a broker-dealer registered with the Securities Exchange Commission (the **SEC**) and the Financial Industry Regulatory Authority (**FINRA**), pled guilty to crimes, for which he was sentenced to 150 years in prison, that included securities fraud, investment adviser fraud, and providing false information to the SEC in connection with his operation of what has been described as a Ponzi scheme. In December of 2008, shortly after Madoff's arrest, a bankruptcy administrator (the **SIPA Trustee**) for the liquidation of BMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970.

Following Madoff's arrest, several criminal and civil suits were filed in various countries against financial institutions and investment advisers by, or on behalf of, investors, intermediaries acting as brokers for investors and public entities in relation to losses incurred.

As at the date of Bernard L. Madoff's arrest, and since mid-2007, the Alternative Investments division of Pioneer (**PAI**), an indirect subsidiary of UniCredit S.p.A., acted as investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation), **Primeo**) and various funds-of-funds (**FoFs**), which were non-U.S. funds that had invested in other non-U.S. funds with accounts at BMIS. Pioneer also owned the founder shares of Primeo since 2007. Previously, the investment advisory functions had been performed by BA Worldwide Fund Management Ltd (**BAWFM**), an indirect subsidiary of UniCredit Bank Austria AG (**BA**). For a period of time, BAWFM had previously performed investment advisory functions for Thema International Fund plc, a non-U.S. fund that had an account at BMIS.

UniCredit Bank AG (then HypoVereinsbank) issued tranches of debt securities whose potential yield was calculated based on the yield of a hypothetical structured investment (synthetic investment) in the Primeo funds. Some BA customers purchased shares in Primeo funds that were held in their accounts at BA. BA owned a 25 per cent. stake in Bank Medici AG (**Bank Medici**), a defendant in certain proceedings described below. Bank Medici is alleged to be connected, inter alia, to the Herald Fund SPC, a non-U.S. fund that had an account at BMIS.

Proceedings in the United States

Purported Class Actions

UniCredit S.p.A., BA, PAI and Pioneer Global Asset Management S.p.A. (**PGAM**), a UniCredit S.p.A. subsidiary were named among some 70 defendants in three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the **Southern District**) between January and March 2009, purporting to represent investors in three investment fund groups (the **Herald** funds, **Primeo** and the **Thema** funds) which were invested, either directly or indirectly, in BMIS.

The three cases were later consolidated for pre-trial purposes and in February of 2010 amended complaints were filed in each case. In April of 2011, permission was sought from the Court further to amend each of the three complaints, principally to withdraw certain claims under the United States federal securities laws, and, in one case, to add a claim under the United States Racketeer Influenced and Corrupt Organisations Act (**RICO**), as further described below.

The amended "Herald" complaint claimed on behalf of investors in Herald Fund SPC-Herald USA Segregated Portfolio One and/or Herald (Lux) on 10 December 2008, or who invested in those funds from 12 January 2004 to 10 December 2008. It was principally alleged that defendants, including UniCredit S.p.A., BA and Bank Medici breached common law duties by failing to safeguard the claimants' investment in the face of "red flags" that, it is claimed, should have alerted them to Madoff's fraud. The plaintiffs also requested the Court's permission to add claims that defendants, including UniCredit S.p.A., violated RICO by allegedly participating in a plan to enrich themselves by feeding investors' money into Madoff's Ponzi scheme.

The plaintiffs alleged that the proposed class lost approximately $2.0 billion in the Madoff Ponzi scheme, which they sought to recover trebled under RICO.

The amended "Primeo" complaint claimed on behalf of investors in Primeo Select Fund and/or Primeo Executive Fund on 10 December 2008, or who invested in those funds from 12 January 2004 to 12 December 2008. It was principally alleged that the defendants, including UniCredit S.p.A., BA, Bank Medici, BAWFM, PAI and PGAM breached common law duties misrepresenting the monitoring that would be done of Madoff and claimants' investments and disregarding "red flags" of Madoff's fraud.

The amended "Thema" complaint claimed on behalf of investors in Thema International Fund plc and/or Thema Fund on 10 December 2008, or who invested in those funds from 12 January 2004 to 14 December 2008. It was principally alleged that defendants including UniCredit S.p.A., BAWFM and Bank Medici committed common law torts by, inter alia, recklessly or knowingly making or failing to prevent untrue statements of material fact and/or failing to exercise due care in connection with the claimants' investments in the Thema fund. In the Herald, Primeo and Thema cases, the plaintiffs sought damages in unspecified amounts (other than under RICO in the case of the Herald complaint, as noted above), interest or lost profits punitive damages, costs and

attorneys' fees, as well as an injunction preventing defendants from using fund assets to defend the action or otherwise seeking indemnification from the funds.

On 29 November 2011, the Southern District dismissed at the request of UniCredit S.p.A., PGAM, PAI, BA and other defendants all three purported class action complaints on grounds, with respect to UniCredit S.p.A., PGAM, PAI and BA, that the United States is not the most convenient forum for resolution of plaintiffs' claims.

On or about 11 January 2012, all three groups of plaintiffs appealed the judgment of the Southern District to the United States Court of Appeals for the Second Circuit (the **Second Circuit**), which appeals are now in progress.

Claims by the SIPA Trustee

In December of 2010, the SIPA Trustee filed two cases (the **HSBC** and the **Kohn** case, respectively) in the United States Bankruptcy Court in the Southern District of New York against several dozen defendants. Both cases were later removed to the non-bankruptcy federal trial court in the Southern District at the request of UniCredit S.p.A., PAI and certain other defendants.

In the HSBC case, the SIPA Trustee sought to recover from some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, and Bank Medici seeking amounts to be determined at trial, allegedly representing so-called avoidable transfers to initial transferees of funds from BMIS, subsequent transfers of funds originating from BMIS (in the form of alleged management, performance, advisory, administrative and marketing fees, among other such payments, said to exceed $400 million in aggregate for all defendants), and compensatory and punitive damages against certain defendants on a joint and several basis, including the five abovementioned, alleged to be in excess of $2 billion. In addition to avoidable transfers, the SIPA Trustee sought to recover in the HSBC action unspecified amounts (said to exceed several billion dollars) for common law claims of unjust enrichment, aiding and abetting BMIS's breach of fiduciary duty and BMIS's fraud and contribution. However, on 28 July 2011, the Southern District Court dismissed, at the request of UniCredit S.p.A., PAI, BA and certain other defendants the common law claims for aiding and abetting Madoff's fraud and breach of fiduciary duty, for unjust enrichment and for contribution.

The SIPA Trustee has appealed the Southern District's order finalizing the dismissal of those claims to the Second Circuit. Certain claims brought by the SIPA Trustee which were not addressed in the motion to dismiss remain pending in the bankruptcy court.

On 22 March 2012 UniCredit S.p.A., BA and PAI requested that the District Court withdraw the reference from the Bankruptcy Court in respect of the claims that the District Court had returned to the Bankruptcy Court following the decision by the District Court on 28 July 2011 to dismiss the common law claims.

In the Kohn case, the SIPA Trustee seeks to recover from more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Medici, Bank Austria Cayman Islands, and several persons affiliated with UniCredit S.p.A. and BA, unspecified avoidable transfers from BA as an initial transferee from BMIS and as from UniCredit S.p.A, BA and other UniCredit S.p.A. affiliated defendants as subsequent transferees of funds likewise originating from BMIS. The complaint further asserts common law claims, including unjust enrichment and conversion, as well as violations of the RICO statute as the alleged result of the defendants' directing investors' money into Madoff's Ponzi scheme. The SIPA Trustee seeks treble damages under RICO (three times the reported net $19.6 billion losses allegedly suffered by all BMIS investors), alleged retrocession fees, management fees, custodial fees, compensatory, exemplary and punitive damages, and costs of suit as against the defendants on a joint and several basis.

UniCredit S.p.A., BA, PGAM and Alessandro Profumo (former CEO of UniCredit S.p.A.) moved to dismiss the common law and RICO claims on 25 July 2011.

On 21 February 2012, the District Court dismissed the RICO and common law claims asserted in the Kohn action, and returned to the Bankruptcy Court the remaining avoidance claims. On 21 March 2012, the SIPA Trustee filed a notice of appeal to the Second Circuit of the decision. He procedurally withdrew that appeal on 10 April 2012, subject to potential reinstatement at any party's request within one year.

On 22 March 2012 UniCredit S.p.A., BA and PGAM requested that the District Court withdraw the reference from the Bankruptcy Court in respect of the claims that the District Court had returned to the Bankruptcy Court

following the decision by the District Court to dismiss the RICO and common law claims, as noted above. UniCredit S.p.A. and its affiliated defendants intend to continue defending these proceedings vigorously

Proceedings Outside the United States

On 22 July 2011, the Joint Official Liquidators of Primeo (the **Primeo Liquidators**) issued a writ of summons against PAI in the Grand Court of the Cayman Islands, Financial Services Division. In that claim the Primeo Liquidators allege that PAI is liable under the terms of an investment advisory agreement between Primeo and PAI as a result of alleged breaches of duties by PAI and also as a result of alleged acts and omissions by BMIS for which PAI is alleged to be vicariously liable. The Primeo Liquidators also allege that fees paid to PAI were paid under a mistake of fact and claim restitution from PAI of those fees. In aggregate, the Primeo Liquidators claim approximately $262 million plus additional unquantified damages, as well as interest and costs.

Numerous civil proceedings (with a claimed amount totalling about €135 million) have been initiated in Austria by numerous investors related to Madoff's fraud in which BA, among others, was named as defendant. The plaintiffs invested in funds that, in turn, invested directly or indirectly with BMIS. Several judgments have been issued in favour of BA in various instances and some are already legally binding. Other judgments have been handed down against BA, but none of them is final so far as appeals are pending. With respect to those cases currently on appeal no estimate can be made as to their potential outcomes nor the effects, if any, which the appeal decisions may have on other cases pending against BA.

In respect of the Austrian civil proceedings pending as against BA, which relates to Madoff's fraud, BA has made provisions for an amount considered appropriate to the current risk.

Bank Austria has been named as a defendant in criminal proceedings in Austria which concern the Madoff case. These proceedings were initiated by a complaint filed by the FMA (the Austrian Financial Market Authority) to the Austrian prosecutor. Subsequently complaints were filed by purported investors in funds which were invested, either directly or indirectly, in BMIS and Bernard L. Madoff Securities LLC. These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo Fund. These criminal proceedings are still at the pre-trial stage. In addition the fee structure has been examined by an expert appointed by the prosecution. The second part of the expert opinion covering the examination of the prospectuses themselves is not yet available.

Legal proceedings were brought in Germany against UniCredit Bank AG regarding synthetic debt securities issued by UniCredit Bank AG and connected to Primeo. One of these lawsuits has since been abandoned by the plaintiff, the one remaining lawsuit was rejected in its entirety by the Munich Regional Court. The plaintiff's appeal was also rejected by the Higher Regional Court of Munich, and the Higher Regional Court also denied the plaintiff a right of appeal to the Federal Court of Justice. The plaintiff made a special motion to the Federal Court of Justice so as to be granted a right of appeal; that motion is currently pending. Prior to the appellate decision being handed down a new lawsuit was commenced against UniCredit Bank AG. This lawsuit also relates to the synthetic debt securities issued by UniCredit Bank AG that are connected to Primeo.

A Chilean investor in synthetic debt securities connected to Primeo has filed a complaint with the Chilean prosecutor. There was an investigative phase only where testimony had been taken from employees or former employees of UniCredit S.p.A. or its affiliates. The investigation was then closed. An application has since been made to dismiss the complaint with prejudice. This application was granted by the court on 25 June 2012 and the case has been closed.

Subpoenas and Investigations

UniCredit S.p.A. and several of its subsidiaries have received subpoenas orders and requests to produce information and documents from the SEC, the U.S. Department of Justice and the SIPA Trustee in the United States, the Austrian Financial Market Authority, the Irish Supervisory Authority for financial markets and BaFin in Germany related to their respective investigations into Madoff's fraud. Similar such subpoenas, orders and requests may be received in the future by UniCredit S.p.A. its affiliates, and some of their employees or former employees, in the foregoing markets or in places where proceedings related to Madoff investments are pending.

Certain Potential Consequences

In addition to the foregoing proceedings stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related actions have been threatened and are in the process of being and may be filed in the future in said countries or in other countries by private investors or local authorities. The pending or future actions may have negative consequences for the UniCredit Group.

UniCredit S.p.A. and its subsidiaries intend to defend themselves vigorously against the Madoff-related claims and charges.

Save as described above, for the time being it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of responsibility, if any responsibility exists. Presently, and save as described above, in compliance with international accounting standards, no provisions have been made for specific risks associated with Madoff disputes.

Cirio

In April 2004, the extraordinary administration of Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.) (**Cirio**) served notice on Sergio Cragnotti and various banks, including Capitalia S.p.A. (absorbed by UniCredit S.p.A.) and Banca di Roma S.p.A. (now UniCredit S.p.A.), of a petition to declare invalid an allegedly illegal agreement with Cirio S.p.A. regarding the sale of the dairy company Eurolat to Dalmata S.r.l. (**Parmalat**). The extraordinary administration subsequently requested that Capitalia S.p.A. and Banca di Roma S.p.A. jointly refund €168 million and that all defendants jointly pay damages of €474 million. In the alternative, it sought the revocation of the settlement made by Cirio S.p.A. and/or repayment by the banks of the amount paid for the agreement in question, on the grounds of "undue profiteering".

Despite no preliminary investigation being conducted, in February 2008, the Court ordered Capitalia S.p.A. and Sergio Cragnotti to pay €223.3 million plus currency appreciation and interest from 1999. UniCredit S.p.A. appealed the decision. It also requested a stay of execution of the lower court's judgment which was successfully obtained in January 2009. The next hearing is scheduled on 11 November 2014.

Provisions have been made for an amount considered appropriate to the current risk of the proceedings.

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In April 2007, certain Cirio group companies in extraordinary administration filed a petition against Capitalia S.p.A. (now UniCredit S.p.A.), Banca di Roma S.p.A., UBM (now UniCredit S.p.A.) and other banks for compensation for damage resulting from their role as arrangers of bond issues by Cirio group companies, although, according to the claimants, they were already insolvent at the time.

Damages were quantified as follows:

- the damages incurred by the petitioners due to a worsening of their financial condition were calculated within a range of €421.6 million to €2.082 billion (depending upon the criteria applied);
- the damages incurred because of the fees paid to the lead managers for bond placements were calculated at a total of €9.8 million;
- the damages, to be determined during the proceedings, incurred by Cirio Finanziaria S.p.A. (formerly Cirio S.p.A.), for losses related to the infeasibility of recovering, through post-bankruptcy clawback, at least the amount used between 1999 and 2000 to cover the debt exposure of some of the Cirio group companies;

plus interest and currency revaluation from the date owed to the date of payment.

In the ruling of 3 November 2009, the judge denied the claimants' claim that the companies of the Cirio group in extraordinary administration be held jointly liable for reimbursement of legal expenses, in favour of the

defendant banks. The extraordinary administration has appealed against the ruling and the hearing for the conclusions is set for 27 January 2016.

UniCredit S.p.A. believes the action to be groundless. Accordingly, no provisions have been made.

Merckle

In February 2012 two customers belonging to the same group of companies have filed claims against UCB AG with a total amount in dispute of €491.4 million (plus interest). The dispute results from the termination of their repo-transactions with UCB AG. The claimants assert that the compensation paid by UCB AG to the clients following the clients' default was insufficient. UCB AG is defending itself against said claims.

New Mexico CDO-Related Litigations

In August 2006, the New Mexico Educational Retirement Board (ERB) and the New Mexico State Investment Council (SIC), both state funds, invested $90 million in Vanderbilt Financial, LLC (VF), a vehicle sponsored by Vanderbilt Capital Advisors, LLC (VCA). The purpose of VF was to invest in the equity tranche of various collateralised debt obligations (CDOs) managed primarily by VCA. The equity investments in VF, including those by the ERB and SIC, became worthless. VF was later liquidated.

Several lawsuits were filed or threatened relating to the losses suffered by the ERB and SIC on their VF investments and additional losses suffered by SIC on its earlier investments in other VCA-managed CTOs. As described below, VCA has now reached an agreement in principle with the ERB, SIC and State of New Mexico to settle all claims brought or threatened by or on behalf of the state or any of its agencies or funds.

Foy Litigation

In January 2009, a lawsuit entitled Frank Foy v. Vanderbilt Capital Advisors, LLC, et al., was filed in New Mexico state court. Foy is a former employee of the ERB, and brings his suit under the New Mexico Fraud Against Taxpayers Act (FATA), a statute that allows private citizens to sue in a representative capacity on behalf of the state, and to collect a share of any recovery. The statute also provides for treble damages, penalties and other remedies.

Foy asserts that the ERB and SIC investments were procured by fraud in that false or misleading statements about the nature and risk of the VF investment were allegedly made to induce the state funds to invest in VF. Foy also alleges that the investment was induced by political favoritism, and that political contributions to the then Governor of New Mexico, Bill Richardson, and/or other payments made by or on behalf of Vanderbilt inappropriately influenced the boards of the ERB and SIC to authorize the investment in VF.

The Foy lawsuit seeks in excess of USD 365 million, comprising the lost investment of USD 90 million and claimed lost profits of USD 30 million, which when trebled comes to USD 360 million, plus attorneys fees, interest and other costs and penalties.

The complaint names as defendants VCA; its parent company, Pioneer Investment Management USA Inc. (PIM US), PIM US's parent company, Pioneer Global Asset Management S.p.A. (PGAM) UniCredit S.p.A; various officers and directors of VCA, VF and/or PIM US; law firms, external auditors, investment banks and State of New Mexico officials.

The defendants filed motions to dismiss the lawsuit on various substantive and procedural grounds, including their contention that FATA may not be applied retroactively to conduct that had already occurred before the statute was enacted, as the challenged investments here had occurred before FATA became effective. In a parallel action brought by Foy against other defendants, the New Mexico Court of Appeals ruled in December 2012 that that statute may not be applied retroactively. Foy is seeking to appeal that ruling to the New Mexico Supreme Court.

The court has ruled that Foy may proceed with the lawsuit to the extent that it challenges conduct occurring after FATA's effective date, and that the complaint adequately alleges conduct after that date.

Foy sought to amend his complaint to add over 50 additional legal theories of wrongdoing and to put in issue other VCA-managed CDO transactions in which the SIC had previously invested, and thereby to increase the claimed damages (after trebling) to $864 million. He has thus far been unsuccessful in expanding the case.

In January 2012, the defendants' other motions to dismiss were denied or deferred by the court to a later stage of the case, and as a result, the parties have begun discussions aimed at clarifying the scope and timing of permitted discovery. The defendants have filed an answer denying the material allegations of the complaint.

Class and Derivative Actions

In January and February 2010, two purported class or derivative actions entitled *Donna J. Hill v. Vanderbilt Capital Advisors, LLC, et al.*, and *Michael J. Hammes v. Vanderbilt Capital Advisors, LLC, et al*., were filed in New Mexico state court, in which the plaintiffs seek to recover, on behalf of ERB or its retirement plan participants, the $ 40 million that ERB lost on its investment in VF. The *Hill* and *Hammes* cases make factual allegations similar to those in *Foy*, but they bring their claims under different legal theories, primarily involving common law claims of fraud, breach of fiduciary duty (against the ERB board members), aiding and abetting breaches of duty by the ERB board members, and violations of the securities laws.

As amended, the *Hill* and *Hammes* cases name as defendants VCA, a former officer of VCA, and several current or former ERB board members. In February 2010, the *Hill* case was removed to the United States District Court for the District of New Mexico. The defendants moved to dismiss the *Hill* complaint, and in September 2011, the federal court ruled that it lacked subject matter jurisdiction and remanded the case to state court. In December 2012, the United States Court of Appeals for the Tenth Circuit Determined that it lacks jurisdiction to review that ruling.

Deadlines in the *Hammes* case have been extended several times. The defendants are not yet due to answer or move against the *Hammes* complaint.

SIC Claim Letter

In July 2012, VCA received a letter from the SIC's attorneys asserting that the SIC is prepared to file its own lawsuit against VCA concerning both the $50 million investment it lost in VF and concerning earlier investments it made in other VCA-managed CDOs. The letter claims that the SIC's aggregate damages are in excess of $100 million, and requests a meeting to discuss the threatened claims before a lawsuit is filed. Because no complaint has been filed, the precise nature of the claims the SIC may assert, and what defenses may be available to VCA, are not yet known.

Settlement

In December 2012, VCA reached an agreement in principle with the SIC, ERB and State of New Mexico to settle all claims brought or threatened by or on behalf of the state or any of its agencies or funds relating to any investments made in VF or other VCA-managed CDO products. The settlement is subject to court approval in the Foy case but, if approved and implemented in accordance with its terms, will result in the dismissal of the Foy, Hill and Hammes cases, and will also resolve the SIC's additional threatened claim. Releases will be issued in favor of VCA, PIM US, PGAM, UniCredit and all of their affiliated personnel who were named as defendants in any of the cases.

Malott Litigation

In November 2011, Bruce Malott, the former chairman of the ERB, brought suit in New Mexico state court against a number of persons and entities allegedly involved with improper "pay to play" or kickback practices at the ERB. Among the defendants are VCA, VF, PIM US and two former officers of VCA. The factual allegations against VCA are similar to those asserted in *Foy*, *Hill*, and *Hammes* except that Malott seeks to recover for alleged damages that he claims to have suffered personally when the challenged transactions and practices were publicly reported in the New Mexico press, leading Malott to resign from the ERB and allegedly to lose his investment in his accounting firm.

The complaint alleges that the defendants' actions violated the New Mexico Racketeering Act and the New Mexico Unfair Practices Act and constitute fraud, breach of fiduciary duty, negligent misrepresentation, and other torts. No damages amount is specified, but the plaintiff seeks treble damages and punitive damages (as

applicable) on top of whatever actual damages he can prove. The defendants moved to dismiss the complaint in March 2012. The Court's ruling is awaited.

Divania S.r.l.

In 2007, Divania S.r.l. (now in bankruptcy) (**Divania**) filed a suit in the Court of Bari Italy against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law and regulation in relation to certain rate and currency derivative transactions created between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.).

The petition requests that the contracts be declared non existent, or failing that, null and void or to be cancelled or terminated and that UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.) pay the claimant a total of €276.6 million as well as legal fees and interest. It also seeks the nullification of a settlement the parties reached in 2005 under which Divania S.r.l had agreed to waive any claims in respect of the transactions.

UniCredit S.p.A. rejects Divania S.r.l.'s demands. Without prejudice to its rejection of liability, it maintains that the amount claimed has been calculated by aggregating all the debits made (for an amount much larger than the actual amount), without taking into account the credits received that significantly reduce the claimant's demands.

In 2010 the report of the Court named expert witness submitted a report which broadly confirms UniCredit's position stating that there was a loss on derivatives amounting to about €6,400,000 (which would increase to about €10,884,000 should the out-of-court settlement, challenged by the claimant, be judged unlawful and thus null and void). The expert opinion states that interest should be added in an amount between €4,137,000 (contractual rate) and €868,000 (legal rate). A hearing was held on 10 December 2012, the decision of the Court is expected.

Another two lawsuits have also been filed by Divania, one for €68.9 million (which was subsequently increased up to €80,5 million ex art 183 of the Italian Civil Procedure Code and the second for €1.6 million; the first one was adjourned and in the second one the preliminary motions have to be decided.

Negotiations with the receivership aimed at settling the whole matter are ongoing.

UniCredit S.p.A. has made a provision for an amount consistent with the lawsuit risk.

Acquisition of Cerruti Holding Company S.p.A. by Fin.Part S.p.A.

At the beginning of August 2008, the Trustee in Bankruptcy of Fin.Part S.p.A. (**Fin.Part**) brought a civil action against UniCredit S.p.A., UniCredit Banca S.p.A. (now UniCredit S.p.A.), UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.) and one other bank not belonging to the UniCredit Group for contractual and tortious liability. Fin.Part's claim against each of the defendant banks, jointly and severally or alternatively, each to the extent applicable, is for damage allegedly suffered by Fin.Part and its creditors as a result of the acquisition of Cerruti Holding Company S.p.A. (Cerruti) by Fin Part.

The claimant alleges that the financial obligations arising out of the Cerruti acquisition financing brought about Fin Part's bankruptcy and that the banks therefore acted unlawfully.

The claim is for €211 million plus all fees, commissions and interest earned in connection with the allegedly unlawful activities.

On 23 December 2008 the Trustee in Bankruptcy of C Finance S.A. (C Finance) intervened in the case. It maintains that C Finance S.A. was insolvent at the time of its establishment because of the transfer of bond loan income to Fin.Part obtaining in exchange valueless assets and that it was the banks and their executives, in devising and executing the transaction, who contributed in causing C Finance S.A. to become insolvent. Accordingly, it seeks damages as follows: a) the total bankruptcy liabilities (€308.1 million); or, alternatively, b) the amounts disbursed by C Finance S.A. to Fin.Part and Fin.Part International (€193 million); or, alternatively, c) the amount collected by UniCredit S.p.A. (€123.4 million).

The banks are also requested to pay damages for the amounts collected (equivalent to €123.4 million, plus €1.1 million in fees and commissions) for the alleged invalidity and illegality of the transaction in question and the payment of Fin.Part's debts to UniCredit S.p.A. using the proceeds from the C Finance S.A. bond issue. In addition, the claimant alleges that the transaction was a means for evading Italian law regarding limits and procedures for bond issues.

In January 2009, the judge rejected a writ of attachment against the defendant not belonging to UniCredit Group.

In addition, on 2 October 2009, the receivership of Fin.Part subpoenaed in the Court of Milan UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.), in order that (i) the invalidity of the "payment" of €46 million made in September 2001 by Fin.Part to the former Credito Italiano be recognised and consequently, (ii) the defendant be sentenced to return such amount in that it relates to an exposure granted by the bank as part of the complex financial transaction under dispute in the prior proceedings.

In February 2012 the two lawsuits were joined and in April 2013 they were settled.

UniCredit S.p.A, on the basis, *inter alia*, of the information supplied by their legal counsel, believes the risk of the lawsuit is very low compared to the amount claimed. Negotiations with the receivership aimed at settling the matter are ongoing. On that basis provisions have been made for an amount considered adequate.

Valauret S.A.

In 2001, Valauret S.A. and Hughes de Lasteyrie du Saillant, bought shares in the French company Rhodia S.A. They filed a civil claim in 2004 for losses resulting from the drop in the Rhodia S.A. share price between 2002 and 2003, allegedly caused by earlier fraudulent actions by members of the company's board of directors and others.

BA (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 on the basis that Creditanstalt was banker to one of the defendants.

Valauret S.A. is seeking damages of €129.8 million in addition to legal costs and Hughes de Lasteyrie du Saillant damages of €4.39 million.

In 2006, before the action was extended to BA, the civil proceedings were stayed following the opening of criminal proceedings by the French State that are on going. In December 2008, the civil proceedings were also stayed against BA.

In BA's opinion, the claim is groundless and no provisions have been made.

Treuhandanstalt

In the long running litigation in Switzerland, in which BA had intervened in support of its former subsidiary AKB Privatbank Zürich AG, the Plaintiff Bundesanstalt für vereinigungsbedingte Sonderaufgaben (**BvS**) has prevailed. BvS is one of the successors of the former Treuhandanstalt a German public body responsible for managing the assets of the former East Germany.

On 8 April 2013 the Swiss Federal Supreme Court found that BA's former subsidiary was liable for the unauthorised transfer of funds from the accounts of two former East German companies by their former CEO in the early 1990s. The court has awarded BvS damages of approximately €128 million, plus interest dating back to 1992, totalling approximately €250 million. BA has paid this amount to BvS given certain indemnities BA has in place relating to its former subsidiary. There is no further appeal from the decision.

BA's former subsidiary is taking steps against BvS in Germany. This includes pursuing claims against BvS in the German Courts.

Association of Small Shareholders of NAMA d.d. in bankruptcy; Slobodni sindiKat

Zagrebačka is being sued before the Zagreb Municipal Court by two parties: (i) the association of small shareholders of NAMA d.d. in bankruptcy; and (ii) Slobodni SindiKat.

It is said that Zagrebačka violated the rights of NAMA d.d., as minority shareholder of Zagrebačka until 1994 by, *inter alia*, not distributing to NAMA d.d. profits in the form of Zagrebačka shares. The claimants seek shares in compensation or alternatively damages of approximately €124 million.

Zagrebačka maintains that the claimants do not have legal standing in that they have never been Zagrebačka shareholders, nor the holders of the rights allegedly violated.

On 16 November 2009, the judge rejected the claimants' claim, without dealing with the merits, on the basis that the claimants did not have standing.

The decision has been appealed.

No provisions have been made.

GBS S.p.A.

At the beginning of February 2008, General Broker Service S.p.A. (GBS S.p.A.) initiated arbitration proceedings against UniCredit S.p.A. for the alleged unlawful behaviour of the Bank with regards to the insurance brokerage relationship allegedly deriving from the exclusive agreement signed in 1991.

In a decision issued on 18 November 2009, UniCredit S.p.A. was ordered to pay GBS S.p.A. €144 million, as well as legal costs and the costs of an expert's report. UniCredit S.p.A. determined that the decision ordered by the arbitrator was unsound and groundless, and has lodged an appeal together with a request for a stay of execution.

On 8 July 2010, the Court granted a stay of execution in respect of amounts exceeding €10 million. UniCredit S.p.A. paid such amount in favour of GBS S.p.A., pending the outcome of the appeal. The next hearing is scheduled for 5 November 2013.

A provision has been made for an amount consistent with what currently appears to be the risk resulting from the award issued.

ADDITIONAL RELEVANT INFORMATION

The following section sets out further pending proceedings against UniCredit S.p.A. and other companies of the UniCredit Group that UniCredit considers relevant and which, at present, are not characterised by known economic demand or for which the economic request cannot be quantified.

Proceedings arising out of the purchase of HVB by UniCredit SpA and the group reorganisation

Voidance action challenging the transfer of shares of Bank Austria Creditanstalt AG (BA) held by HVB to UniCredit S.p.A. (Shareholders' Resolution of 25 October 2006)

Numerous minority shareholders of HVB have filed petitions challenging the resolutions adopted by HVB's Extraordinary Shareholders' Meeting of 25 October 2006 approving various Sale and Purchase Agreements (SPA) transferring the shares held by HVB in BA and in HVB Bank Ukraine to UniCredit S.p.A. and the shares held by HVB in International Moscow Bank and AS UniCredit Bank Riga to BA and the transfer of the Vilnius and Tallin branches to AS UniCredit Bank Riga, asking the Court to declare these resolutions null and void. The actions are based on purported defects in the formalities relating to the calling for and conduct of the Extraordinary Shareholders' Meeting held on 25 October 2006, and on the allegation that the sale price for the shares was too low. In the course of this proceeding, certain shareholders asked the Regional Court of Munich to state that the BCA, entered into between HVB and UniCredit S.p.A., should be regarded as a de facto domination agreement.

In the judgment of 31 January 2008, the Court declared the resolutions passed at the Extraordinary Shareholders' Meeting of 25 October 2006 to be null and void for formal reasons. The Court did not express an opinion on the issue of the alleged inadequacy of the purchase price but expressed the opinion that the BCA entered into between UniCredit S.p.A. and HVB in June 2005 should have been submitted to HVB's Shareholders' Meeting as it represented a "concealed" domination agreement.

HVB filed an appeal against this judgment since it is believed that the provisions of the BCA would not actually be material with respect to the purchase and sale agreements submitted to the Extraordinary Shareholders' Meeting of 25 October 2006, and that the matter concerning valuation parameters would not have affected the purchase and sales agreements submitted for the approval of the shareholders' meeting. HVB also believes that the BCA is not a "concealed" domination agreement, due in part to the fact that it specifically prevents entering into a domination agreement for five years following the purchase offer.

The HVB shareholder resolution could only become null and void when the Court's decision becomes final. Moreover, it should be noted that, in using a legal tool recognised under German law, and pending the aforementioned proceedings, HVB asked the Shareholders' Meeting held on 29 and 30 July 2008 to reconfirm the resolutions that were passed by the Extraordinary Shareholders' Meeting of 25 October 2006 and which were contested (so-called Confirmatory Resolutions). If these Confirmatory Resolutions became final and binding, they would make the alleged improprieties in the initial resolutions irrelevant.

The Shareholders' Meeting approved these Confirmatory Resolutions, which, however, were in turn challenged by several shareholders in August 2008. In February 2009, an additional resolution was adopted that confirmed the adopted resolutions.

In the judgment of 10 December 2009, the Court rejected the voidance action against the first Confirmatory Resolutions adopted on 29 and 30 July 2008. Appeals filed by several former shareholders against this judgment were rejected by Higher Regional Court (Oberlandesgericht) of Munich on 22 December 2010. In a decision taken on 26 June 2012 the German Federal Supreme Court (Bundesgerichtshof) repealed the judgment of the Higher Regional Court and referred the case back to the Higher Regional Court for reassessment. A judgment by the Higher Regional Court has not yet been issued.

In light of the above events, the appeal proceedings initiated by HVB against the judgment of 31 January 2008 were suspended until a final judgment is issued in relation to the Confirmatory Resolutions adopted by HVB's Shareholders' Meeting of 29 and 30 July 2008.

Squeeze-out of HVB minority shareholders (Appraisal Proceedings)

Approximately 300 former minority shareholders of HVB filed a request to have a review of the price obtained in the squeeze-out (Appraisal Proceedings). The dispute mainly concerns the valuation of HVB.

The first hearing took place on 15 April 2010. The proceedings are still pending and are expected to last for a number of years.

Squeeze-out of Bank Austria's minority shareholders

After a settlement was reached on all legal challenges to the squeeze-out in Austria, the resolution passed by the BA shareholders' meeting approving the squeeze-out of the ordinary shares held by minority shareholders (with the exception of the so-called "golden shareholders" holding the registered shares in BA) was recorded in the Vienna Commercial Register on 21 May 2008 and UniCredit S.p.A. became the owner of 99.995 per cent. of BA's share capital.

The minority shareholders received the squeeze-out payment of approximately €1,045 million including the related interest.

Several shareholders then initiated proceedings before the Commercial Court of Vienna claiming that the squeeze-out price was inadequate, and asking the Court to review the adequacy of the amount paid (appraisal proceedings).

At present the proceedings are pending before the Commercial Court of Vienna which appointed a panel, the so called **Gremium**, to investigate the facts of the case in order to review the adequacy of the cash compensation. The expert appointed by the Gremium, employing six different methods, determined that the adequate compensation would have been in a range from an amount lower than that actually paid by UniCredit S.p.A. and an amount that is €10 per share higher than that amount. UniCredit, considering the nature of the valuation methods employed, still believes that the amount paid to the minority shareholders was adequate.

Nevertheless, it is not possible to predict how the Gremium will decide upon concluding its investigation.

Should the parties fail to reach an agreement, the Commercial Court will issue a decision (which is appealable), which could result in UniCredit S.p.A. having to pay a greater cash compensation.

Cirio and Parmalat criminal proceedings

Between the end of 2003 and the beginning of 2004, criminal investigations of some former Capitalia group (now UniCredit group) officers and managers were conducted in relation to the insolvency of the Cirio group. This resulted in certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.) being committed to trial.

Cirio S.p.A.'s extraordinary administration and several bondholders/shareholders joined the criminal proceedings as civil complainants without quantifying the damages claimed. UniCredit S.p.A., also as the universal successor of UniCredit Banca di Roma S.p.A., was cited as "legally liable".

On 23 December 2010, UniCredit S.p.A. without any admission of responsibility – proposed a settlement to approximately 2,000 bondholders.

In March 2011, Cirio S.p.A.'s extraordinary administration filed its conclusions against all defendants and against UniCredit S.p.A. as "legally liable"– all the defendants jointly and severally – requesting damages in an amount of €1.9 billion. UniCredit S.p.A. believes the request is groundless both in fact and law and the officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

On 4 July 2011 the Court of Rome ordered UniCredit, together with the individuals involved, to pay CIRIO S.p,A.'s extraordinary administration €200 million as provisional payment and to pay the bondholders and the shareholders – civil complainants in the criminal proceedings – an amount equal to 5% of the nominal value of the securities owned.

Taking into account the transaction with bondholders occurred in 2010, this decision applies only to a limited number of investors.

UniCredit, as "legally liable", and the other defendants appealed the decision and requested a stay of execution.

Negotiations with Cirio S.p.A.'s extraordinary administration aimed at settling the whole Cirio matter are ongoing.

With regard to the insolvency of the Parmalat group, from the end of 2003 to the end of 2005, investigations were conducted against certain executives and officers of the former Capitalia S.p.A. (now UniCredit S.p.A.), who had been committed for trial within the scope of three distinct criminal proceedings known as "Ciappazzi", "Parmatour" and "Eurolat".

Companies of the Parmalat group in extraordinary administration and numerous Parmalat bondholders are the claimants in the civil suits in the aforementioned proceedings. All of the civil claimants' lawyers have reserved the right to quantify damages at the conclusion of the first instance trials.

In the "Ciappazzi" and "Parmatour" proceedings, several companies of the UniCredit Group have been cited as legally liable.

Upon execution of the settlement of 1 August 2008 between UniCredit Group and Parmalat S.p.A., and as Parmalat group companies are in extraordinary administration, all civil charges were either waived or revoked. The officers involved in the proceedings in question maintain that they performed their duties in a legal and proper manner.

On 11 June 2010, UniCredit S.p.A. reached an agreement with the Association of Parmalat Bondholders of the Sanpaolo IMI group (the Association) aimed at settling, without any admission of responsibility, the civil claims brought against certain banks of the UniCredit group by the approximately 32,000 Parmalat bondholders who are members of the Association. In October 2010, that agreement has been extended to the other bondholders who had joined the criminal proceedings as civil complainants (approximately 5,000).

On 4 October 2011 UniCredit S.p.A. reached a settlement agreement with the trustee of Cosal S.r.l.

On 29 November 2011 (Parmalat) and on 20 December 2011 (Parmatour) the Court of Parma issued a judgment ordering UniCredit, severally with other involved parties, a provisional payment, in favor of the bondholders and shareholders of Parmalat and Parmatour – civil complainants in the criminal proceedings – in an amount equal to 4% of the nominal value of the securities owned.

Both UniCredit and the individuals involved appealed the decisions.

Taking into account the above mentioned transactions with bondholders in 2010, these decisions apply only to a limited number of investors.

The "Eurolat" proceeding is in the trial phase.

For the Parmalat and Cirio cases provisions have been made for an amount consistent with what currently appears to be the potential risk of liability for UniCredit S.p.A. as legally liable.

Medienfonds

Various customers bought shares in VIP Medienfonds 4 Gmbh & Co. KG (Medienfonds).

HVB did not sell shares in the fund, but granted loans to all private investors for a part of the amount invested in the fund; moreover, to collateralise the fund, HVB assumed specific payment obligations of certain film distributors with respect to the fund.

When certain expected tax benefits associated with this type of investment were revoked, many investors brought various kinds of legal proceedings against HVB and others. The investors argue that HVB did not disclose to them the risks of the tax treatment being revoked and assert HVB, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke also rights under German consumer protection laws. The courts of first and second instance have passed various sentences, of which several were unfavourable for HVB.

On 30 December 2011 The District Higher Court of Munich decided the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz). The Court stated that the prospectus was incorrect concerning the description of tax risks, loss risk and the fund´s forecast; the Court further holds HVB liable along with the promoter of Medienfons for such errors. HVB filed an appeal to the Federal Court. Any final decision in this proceeding will affect only few pending cases since with the vast majority of the investors a general settlement has already been closed.

Aside from the civil proceedings, the fiscal courts have not yet issued a final decision as to whether the tax benefits were rightfully revoked in the first place.

HVB has made provisions which are, at present, deemed appropriate.

Derivatives

In Germany and Italy, there is a tendency for derivative contracts to be challenged most notably by non-institutional investors where those contracts are out of the money. This is affecting the financial sector generally and is not specific to UniCredit and its group companies. Due to the current uncertainty, it is impossible to assess the full impact of such challenges on the Group.

Other Significant Events

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, UCB AG received a subpoena from the New York District Attorney's Office (**NYDA**) relating to historic transactions involving certain Iranian entities. UCB AG 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 UCB AG generally, with which UCB AG is also cooperating. Although UniCredit 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 UCB AG and/or UniCredit 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.

Proceedings related to German Tax Credits

During the years 2006 to 2008, a client of UCB AG entered into various transactions based on the expectation of receiving withholding tax credits on dividends from German equities which were traded around dividend dates. UCB AG issued tax certificates in respect of the withholding tax.

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 circa €124 million. The client and its tax advisor are challenging the tax authorities' position. The client has also made a claim against UCB AG and has claimed a full indemnity from UCB AG.

While the client has the primary liability to pay, the tax authorities also served upon UCB AG a secondary liability notice demanding payment of the circa €124 million sum on the basis of alleged issuer liability for tax certificates. UCB AG has challenged the notice. UCB AG has also claimed a full indemnification from the client.

In order to avoid accruing further potential interest and/or potential late payment penalties UCB AG 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 liability notice. The dispute remains pending.

In November 2012 the General Public Prosecutor (*Generalstaatsanwaltschaft*) Frankfurt am Main searched the Munich premises of UCB AG and its IT-provider, among other locations, in a Preliminary Investigation (*Ermittlungsverfahren*) against the client and others (including former and current employees of UCB AG). UCB AG is fully cooperating with the prosecutor and the tax-police (*Steuerfahndung*). There is a risk that UCB AG 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/late payment penalties). In addition, UCB AG could be subject to other penalties, fines and profit claw backs, and/or criminal exposure.

In addition, UCB AG has notified the competent tax authorities and the public prosecutor of the possibility of certain proprietary trading of UCB AG undertaken close to dividend dates and related withholding tax credits claimed by UCB AG. In this context, and in parallel, the Supervisory Board of UCB AG has commissioned external advisors to conduct an audit of such matters which is fully supported by UniCredit. An interim report by the external advisors carrying out the audit has concluded that there is evidence of trading patterns in the proprietary trading of UCB AG that are similar to the client case described above. The audit by the external advisors is ongoing and their final report is expected to be issued later this year.

In the context of ongoing tax audits of UCB AG, the German Central Federal Tax Authority (Bundeszentralamt für Steuern) and the Munich tax authorities are currently especially examining such transactions close to dividend dates and related to withholding tax credits. UCB AG has an ongoing dialogue and exchange of information with the relevant authorities.

Although German tax authorities have recently denied withholding tax credits in certain types of trades undertaken near dividend dates, there is no clear guidance from the highest German tax court on the tax treatment of such transactions. At this time, the impact of any review by the competent tax authorities is unknown. In relation to the above-described securities transactions, UCB AG could be subject to substantial tax and interest claims in relation to these matters, as well as penalties, fines and profit claw backs, and/or criminal exposure.

UCB AG is in communication with its relevant regulators regarding this matter.

LABOUR RELATED LITIGATION

Suit brought against UniCredit S.p.A. by around fifty subscribers of the former Cassa di Risparmio di Roma Fund

The main claim in the petition – served on 27 November 2012 – is for the reconstitution of the assets of the fund of the former Cassa di Risparmio di Roma and the recognition and quantification of the individual pension positions attributable to the subscribers. The object of the petition in the main claim is quantifiable at €384 million. No provisions have been made as this petition is considered unfounded.

PROCEEDINGS RELATED TO TAX MATTERS

Proceedings Before Italian Tax Authorities

At the date of this Base Prospectus, the following tax proceedings are pending: (i) challenge of a tax credit in the amount of approximately €25.6 million for corporate income tax (then called IRPEG) resulting from the annual tax return for the year 1984 of Cassa Centrale di Risparmio V.E. per le Province Siciliane (now Banco di Sicilia); (ii) challenge of a tax credit in the amount of approximately €21.1 million for corporate income tax resulting from the annual tax return for the year 1984 of Banco di Sicilia; and (iii) challenge of a tax credit in the amount of approximately €24.3 million resulting from the annual tax return for the year 1985 of Banco di Sicilia.

The total value of the challenges, taking into account accrued and recorded interest, is approximately €177 million.

The proceedings sub (i) and (ii) are still pending at the Italian Tax Supreme Court (*Corte di Cassazione*); the proceeding sub (iii) was heard in front of Italian Tax Supreme Court and was decided in favour of Banco di Sicilia with decision filed on 11 March 2013.

On 12 June 2007, the Provincial Tax Commission of Palermo rejected the motions to dismiss by Banco di Sicilia. Banco di Sicilia filed appeals against the decision. Two of the appeal hearings were heard in front of the Regional Tax Commission and were decided in favour of Banco di Sicilia. The decisions were filed on 28 January 2010. The Financial Administration has filed appeals against these decisions to the Italian Supreme Court (*Corte di Cassazione*) and, at the date of this Base Prospectus, one judgments is still pending.

On 23 April 2010, a third appeal was heard in front of the same section of the Regional Tax Commission of Palermo. The appeal was resolved in favour of the Banco di Sicilia and the judgment was filed on 4 June 2010. As a result of a mistake in the filed version of the judgment, which stated a different value than that contained in the original version of the judgment, a special procedure to correct the mistake was required. An order for correction was published on 20 April 2011. The Financial Administration filed an appeal of the order with the Italian Supreme Court (*Corte di Cassazione*) on 6 July 2011. As at the date of this Base Prospectus, the judgment is pending and no provisions were made.

In addition on 5 January 2011, the Revenue Agency served UniCredit Leasing S.p.A. (**UniCredit Leasing**) with a notice of assessment. The notice of assessment concerns IRAP and VAT taxes connected to certain real estate leasing operations carried out by UniCredit Leasing during the 2005 financial year.

The IRAP assessment equals €694,412 plus interest and penalties of €772,786. The VAT assessment equals €31,839,466 plus penalties of €70,866,012.50.

On 31 May 2011, UniCredit appealed the notice of assessment to the Provincial Tax Commission of Bologna. Further to this appeal, the Provincial Tax Commission of Bologna registered the judgment on 6 August 2012. The judgment was favourable to UniCredit Leasing. The Tax Authorities appealed, on March 2013, the said Sentence to the competent Regional Tax Commission and the judgment is still pending.

On 29 December 2011 the Revenue Agency notified UniCredit Leasing of the tax assessment concerning IRAP and VAT for the fiscal year 2006, for an amount of €41,461,209.34 related to other real estate leasing contracts. The tax assessment has been appealed to the competent Provincial Tax Commission. As at the date of this Base Prospectus, the judgment is pending and no provisions were made.

Tax Audits and Other Investigations Relating to Structured Finance Transactions

At the end of December 2010, the Regional Revenue Agency Departments of Liguria, Emilia Romagna, Latium and Sicily issued various notices of assessment for IRES and IRAP taxes (on corporate income and regional income, respectively) against UniCredit (both individually and as the incorporating company of Capitalia, UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia) in relation to structured finance transactions completed in the 2005 tax year. With respect to UniCredit Banca, the Regional Revenue Agency Department of Emilia Romagna issued notices of assessment against UniCredit for the 2004 tax year. The overall assessed amount of the above notices was €614.2 million, of which €136.3 million related to the 2004 tax year.

All the above banks carried out a transaction denominated in Turkish lira called **DB Vantage**, which consisted of a repo transaction with an underlying bond issued by a British company of the Deutsche Bank group. In addition, in 2004 and 2005, UniCredit Banca carried out a repo transaction on the securities of a New Zealand company belonging to the Deutsche Bank group. Although, in the Company's view, these transactions generated higher profits for the banks compared to investments of a similar nature, UniCredit maintains that such transactions were carried out in the course of ordinary treasury operations and were not carried out for tax purposes.

All of the above notices of assessment alleged that the Group banks were "abusing rights". UniCredit Banca challenged the notices of assessment for IRES and IRAP taxes for the 2004 tax year. In May 2011, the Revenue Agency reduced the sanction for IRES tax from €82.8 million to €41.4 million. The total assessment thereafter was equal to €94.9 million. In addition, the act through which sanctions were imposed was challenged and the proceedings are pending before the Provincial Tax Court of Bologna.

With respect to the 2005 fiscal year, UniCredit paid €106.4 million (comprehensive of tax, interest and penalties) to settle the total assessment of €479 million.

On 1 March 2011, the Italian tax police commenced a tax investigation of structured finance transactions carried out by the above Group banks in the 2006, 2007, 2008 and 2009 tax years. Following that investigation, on 21 June 2011, the Italian finance police notified UniCredit of its findings (Processi Verbali di Constatazione – hereinafter the PVC) relating to UniCredit (both individually and as the incorporating company of Capitalia, UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia) and to UniCredit Corporate Banking concerning certain structured finance transactions, including the "Brontos" transaction, which consisted of a repo transaction, denominated in Turkish lira, between Barclays Plc and the above Group banks with underlying financial instruments issued by a Luxembourg company wholly owned by the Barclays group.

The PVC imposed taxes of €444.6 million, of which €269 million related to the Brontos transaction and €175.6 million related to other structured finance transactions carried out between 2006 and 2008.

On 18 October 2011, UniCredit was notified of a provisional seizure order (pursuant to art. 321, second paragraph, of the Italian code of criminal procedure) over €245,956,118.49 from UniCredit's accounts at the Bank of Italy, Milan branch. UniCredit requested a review of the seizure order and the related hearing was held on 22 November 2011.

On 28 November 2011, the Milan Court of Review cancelled the provisional seizure order and released UniCredit's accounts at the Bank of Italy.

On 29 December 2011, the Milan Public Prosecutor appealed the 28 November 2011 decision of the Court of Review, which annulled the prior seizure of €245,956,118.49 from UniCredit's accounts at the Bank of Italy, Milan Branch, to the Italian Supreme Court (Corte di Cassazione). In the hearing of 19 September 2012 the Court rejected the Public Prosecutor's appeal, so cancellation of the seizure order is now final.

In respect of the 2006 tax year, UniCredit was invited to a settlement on 6 December 2011. On 7 December 2011, UniCredit paid for the settlement of all the tax issues raised for such year in the amount of €85,513,500, of which €67,302,103 related to taxes and €18,211,397 related to penalties and interest. The tax and penalties amount was covered in full by a specific provision.

In respect of the 2007, 2008 and 2009 tax years, UniCredit was invited to a settlement on 2 August 2012. On 3 August 2012, UniCredit paid for the settlement of all the tax issues raised for such years, either for the Brontos transaction or for the other structured finance transactions, in the amount of €266,6 million, of which

€229,2 million related to taxes and €37,4 million related to penalties and interest. The tax and penalties amount was covered in full by a specific provision.

For UniCredit and Barclays people formerly investigated, in the first half of 2009 the Milan Public Prosecutor initiated investigations, then criminal proceedings were started in relation to the Brontos transaction for the alleged offence of tax evasion (Article 3 of Legislative Decree No. 74 of 10 March 2000 – Fraudulent misrepresentation by other devices).

On 23 November 2012 the Court of Milan held that the Court of Bologna had to be identified as the competent court. Accordingly, the whole file was sent to the Public Prosecutor of Bologna, before whom the proceedings are now pending.

Other pending tax cases

During 2012 UniCredit, on its own behalf and in its capacity as the holding company of various entities, was served with some notices of assessment related to taxes and sanctions totalling €50 million.

UniCredit believes that the risk represented by these liabilities is remote and only potential and therefore decided not to make any provisions.

PROCEEDINGS RELATED TO ACTIONS BY THE REGULATORY AUTHORITIES

Italy

The UniCredit Group is subject to a significant degree of regulation and supervision by the Bank of Italy, CONSOB, as well as local banking regulators. As a consequence, the UniCredit Group is subject to normal supervisory activities by the relevant authorities. Some of these ordinary course supervisory activities have resulted in investigations and alleged irregularities, which are still pending as of the date of this Base Prospectus. In such circumstances, the UniCredit Group has endeavoured to demonstrate the correctness of its conduct. The UniCredit Group believes these investigations will not have material adverse effects on its business.

In particular, during recent years, some Group companies[22], including UniCredit, have been subject to inspections by CONSOB concerning Cirio bonds, sovereign bonds issued by the Republic of Argentina and certain operations with derivative financial instruments. Following the completion of such inspections and reviews, CONSOB commenced certain administrative proceedings against managers of the banks involved.

Some of these proceedings regarding the alleged failure to comply with regulations and internal procedures concerning investment services are still pending. The UniCredit Group has acted to demonstrate the correctness of the actions by the companies and managers involved. In some of these cases, however, the proceedings have led to fines against managers, some of whom also hold offices at UniCredit, who are jointly and severally responsible together with the banks involved.

Furthermore, in 2008, CONSOB investigated a Group company for its role as placement manager and sponsor in connection with the offer and listing of shares in an Italian company. Notwithstanding the allegations by CONSOB, the Group defended its actions and disputed the facts. However, the proceeding, which resulted in the imposition of a pecuniary administrative penalty against an employee of the Group in July 2009, is still pending as at the date of this Base Prospectus.

On 26 March 2012, CONSOB initiated an investigation against Unicredit S.p.A. aimed at ascertaining, in relation to specific profiles, the effective adoption by the Bank of those corrective measures required by the same supervisory authority with the injunction order issued with letter dated 23 April 2010. The investigation relates also to the procedures for the assessment of the adequateness/appropriateness of the organisational and administrative arrangements to manage conflicts of interest related to retail clients regarding the rights issue of new shares in the capital increase resolved on 15 December 2011, as well as other financial instruments identified during the investigation.

From 2011 up to the date of this Base Prospectus, the Bank of Italy, pursuant to its above-mentioned ordinary supervisory activities, carried out inspections in the following areas: governance, management and control of

[22] Some of which have been incorporated into UniCredit as of 1 November 2010.

credit risk, focusing on the small and medium business segment; transparency, usury and anti-money laundering; governance, validation process for internal models on credit risk, management and control of liquidity risks and interest rate risk at consolidated level with an analogous initiative carried out in parallel the German Federal Financial Supervisory Authority (Bafin); adequacy of information systems and back office processes of the Group, in cooperation with the German Federal Financial Supervisory Authority (Bafin), Operational Risk model and the implementation status of the internal model for Counterparty Credit Risk. Furthermore, a general inspection has been carried out against the Group company FinecoBank S.p.A.

Lastly, on March 2013, Bank of Italy began another inspection focused on the CIB/Markets area and on market risk internal models (IRC and VAR), in cooperation with the German supervisory authorities.

In light of the above investigations, the Group implemented corrective measures intended to overcome any negative findings. The action plans prepared by the Group to correct such negative findings have been substantially in compliance with applicable deadlines. The action plans are monitored by managers with certain corporate or control functions and periodically brought to the attention of the supervisory authority.

In relation to the investigations carried out in the areas of governance, management and control of credit risk, focusing on the small and medium business segment the Bank of Italy, ascertained certain irregularities and, as a result, imposed pecuniary administrative penalties, pursuant to article 114 of the Banking Law, against some of the Group's corporate representatives.[23]

In December 2008, the AGCM, sanctioned UniCredit Banca (now UniCredit) for approximately €1.5 million for having entered allegedly harmful competition agreements, dating back to 1996, relating to the management of the cash flows of INAIL, the Italian workers compensation authority. While the company appealed the sanctions, the proceedings are still pending as at the date of this Base Prospectus.

In July 2009, the AGCM initiated an investigation to ascertain if UniCredit, together with MasterCard™ and other banks[24], have entered into agreements that restrict competition in the credit card industry. In November 2010, the AGCM imposed pecuniary administrative penalties25 against UniCredit and other banks for anti-competition violations relating to credit cards. UniCredit and the other banks appealed the penalties to the regional court of Lazio, which in July 2011 overturned the penalties. In November 2011, the AGCM appealed to the Italian Council of State against the above judgment of the regional court of Lazio; the appeal is still pending as at the date of this Base Prospectus.

In December 2009, the AGCM commenced proceedings against UniCredit Banca di Roma (now UniCredit) alleging unfair trade practices with respect to mortgage forgiveness. The AGCM subsequently added UniCredit Family Financing Bank S.p.A. (now UniCredit) to the proceedings. In May 2010, pecuniary administrative sanctions of €150,000 were imposed against only UniCredit Banca di Roma, which appealed to the regional court. The proceedings are still pending as at the date of this Base Prospectus.

In February 2010, the AGCM commenced proceedings against UniCredit Banca di Roma (now UniCredit) alleging unfair trade practices with respect to the closing of bank accounts. In July 2010, penalties of €50,000 were imposed. Thereafter, UniCredit Banca di Roma appealed to the regional court. The proceedings are still pending as at the date of this Base Prospectus.

In April 2010, the AGCM commenced proceedings against a Group company, FinecoBank, alleging unfair trade practices with respect to internet advertising. In August 2010, pecuniary administrative penalties of € 140,000 were imposed. Thereafter, FinecoBank appealed to the regional court. The proceedings are still pending as at the date of this Base Prospectus.

In August 2011, the AGCM commenced proceedings against and requested related information from UniCredit and another Group company, Family Credit Network S.p.A., alleging unfair trade practices in connection with an advertisement offering funding. In September 2011, UniCredit and Family Credit Network S.p.A. presented some written memos and responded to the AGCM's information requests. The AGCM issued sanctions of

[23] Such representatives include the following managers: Karl Kallol Guha for an amount equal to €42,000; Giovanni Albanese for an amount equal to €28,000 and Antonino Del Gatto for an amount equal to €21,000.

[24] Particularly, Banca Monte dei Paschi di Siena S.p.A., Banca Nazionale del Lavoro S.p.A., Banca Sella Holding S.p.A., Barclays Bank plc, Deutsche Bank S.p.A., Intesa Sanpaolo S.p.A. and Istituto Centrale delle Banche Popolari Italiane S.p.A.

[25] The total amount of sanctions was €6,030,00 of which €380,000 applied to UniCredit.

€ 70,000 and € 50,000 against UniCredit and Family Credit Network S.p.A., respectively. Thereafter UniCredit and Family Credit Network S.p.A. appealed to the regional court. The proceedings are still pending as at the date of this Base Prospectus.

In December 2012, the AGCM commenced proceeding against UniCredit and requested related information from UniCredit alleging unfair trade practices in connection with the advertising of the deposit account named "*Conto Risparmio Sicuro*". In February 2013, UniCredit presented written memos and responded to the AGCM's information request and, in April 2013, UniCredit presented to the AGCM final written memos. The proceedings before the AGCM are still pending as at the date of this Base Prospectus.

Germany

Various regulators that exercise oversight of UCB AG's operations, including the German Central Bank, BaFin and the FSA, have conducted audits and/or reviews of UCB AG's risk management and internal control systems, and highlighted concerns (which were also the subject of additional internal and external UCB AG audits) about the extent to which such systems are fully compliant with applicable legal and regulatory requirements in Germany. At the beginning of 2010, UCB AG began a comprehensive programme to address those risks that it deemed to be material, and continues to work in strict coordination with external auditors and respective Group functions to rectify the concerns raised and to ensure that Group-wide risk management policies are deployed in accordance with UniCredit policy, and that new and up-coming laws and regulations are implemented within UCB AG.

Besides the joint initiatives with Banca d'Italia, BaFin set out an on-site audit on remuneration policies.

Poland

In the course of its business activity, Bank Pekao is subject to various inspections, controls and investigations or explanatory proceedings carried out by different regulatory authorities, including, in particular: (i) the Polish Financial Supervision Authority (**PFSA**), (ii) the anti-trust authority (**UOKiK**) within the scope of the protection of market competition and consumers' collective rights, (iii) the relevant authority for the supervision of personal data protection (**GIODO**), and (iv) the relevant authorities for preventing and combating money-laundering and the financing of terrorism.

The PFSA conducts on a regular basis periodical audits with respect to the entire activity and financial condition of the bank.

The most recent general audit took place in 2008. The PFSA discovered certain irregularities in Bank Pekao's operations relating to, among other things, credit, liquidity, market and operational risk management as well as certain infringements of specific provisions of Polish law and Bank Pekao's internal regulations. The PFSA issued specific recommendations for Bank Pekao but no fines were imposed on the bank. Bank Pekao prepared the schedule for the implementation of these recommendations and periodically reported to the PFSA on their fulfilment. The recommendations have already been implemented according to the presented schedule as at the date of this Base Prospectus.

At the end of 2010, the PFSA conducted an extensive issue-oriented inspection that covered, in particular, the following: (i) the implementation of selected post-inspection recommendations resulting from the general audit in 2008, (ii) the monitoring of risks relating to investment in Bank Pekao's Ukrainian subsidiary, (iii) the functioning of Bank Pekao's Business Continuity Plan, and (iv) the outsourcing of IT and e-banking services to foreign entrepreneurs by Bank Pekao. During the inspection certain irregularities were discovered and specific recommendations were issued; however, neither fines or other penalties were imposed against Bank Pekao. Bank Pekao prepared the schedule for the implementation of these recommendations and periodically reported to the PFSA on their implementation. The recommendations have already been implemented according to the presented schedule as at the date of this Base Prospectus.

In 2012 the PFSA conducted an extensive inspection that covered, in particular: (i) credit risk management; (ii) liquidity risk management; (iii) market risk management; (iv) operational risk management; (v) capital adequacy; and (vi) management of the bank and its compliance with the laws that govern its business and with its constitutional documents. During the inspection certain irregularities were discovered and specific recommendations were issued; however, neither fines nor other penalties were imposed against Bank Pekao. The PFSA raised 44 recommendations, where twelve have already been implemented according to

the presented schedule as at the date of this Base Prospectus, 26 are planned to be completed in the first half of this year and the remaining 6 by year end.

Between 2007 and 2012, the PFSA conducted other regulatory inspections focusing on specific issues, in particular: (i) the activity related to the custody of assets of certain open pension funds and employer pension funds, (ii) the compliance with the regulations on preventing and combating money-laundering and the financing of terrorism, (iii) the activity of Bank Pekao's brokerage house, (iv) the management of personal data in relation to brokerage activities and the management of guaranteed accounts, (v) deposit taking and (vi) other control procedures. As a result of these inspections, the PFSA issued certain recommendations which were followed by the bank.

Over the past five years, other regulatory proceedings were also initiated, including:

- anti-trust proceedings against operators of Visa™ and Europay™ systems and Polish banks issuing Visa™ and MasterCard™ credit cards in relation to the use of alleged anti-competitive practices that influenced the Polish payment card market. The UOKiK ruled that such practices restricted the competition on the relevant market, ordered the banks for refrain from these practices and imposed sanctions. The sanctions imposed on Bank Pekao amounted to approximately PLN 16.6 million (approximately €3.7 million). Bank Pekao appealed the UOKiK's decision. On 12 November 2008, the Antimonopoly Court withdrew the UOKiK's sentence. The UOKiK then filed an appeal against the Antimonopoly Court's decision. On 22 April 2010, the Court of Appeal reversed the decision of the Antimonopoly Court and transferred the case to the Antimonopoly Court for re-examination. On 8 May 2012 the Anitmonopoly Court suspended the proceedings until the final resolution of the matter constituted in MasterCard's appeal against the European Commission's decision of 19 December 2007. As a result of Bank Pekao's complaint, on 25 October 2012 the Court of Appeal repealed the decision on the suspension of the proceedings;

- an investigation by the UOKiK regarding the compliance with the consumers' law of the cash loan agreement models applied by Bank Pekao. In 2010, the UOKiK fined Bank Pekao. The fine imposed was PLN 1.9 million (approximately €500,000). In January 2011, Bank Pekao appealed to the Antimonopoly Court. By a verdict of 18 September 2012, the Anitmonopoly Court dismissed the appeal of Bank Pekao. Bank Pekao appealed the verdict of the Antimonopoly Court;

- an investigation by the UOKiK regarding the compliance with consumers' law of the transfer to the Credit Bureau (**BIK**) of information on expiration of consumers' obligations. By decision of 28 December 2012 the UOKiK fined Bank Pekao for 1,8 million Zloty (approximately € 450,000). In January 2013, Bank Pekao appealed to the Antimonopoly Court; and

- proceedings against UniCredit CAIB Securities UK Limited (**UniCredit CAIB**), now a subsidiary of UCB AG, regarding the publication of research reports with a "target price" of zero. In 2011, the PFSA fined UniCredit CAIB. The fine was PLN 500 thousand (approximately €125,000). Notwithstanding the appeal of UniCredit CAIB in February 2012 the PFSA upheld the fine.

Austria

As a licensed credit institution, Bank Austria is subject to the Austrian banking act (*Bankwesengesetz – "***BWG***"*) and hence, to the detailed regulation of and supervision by the Austrian financial market authority (*Finanzmarktaufsicht* - **FMA**) and the *Oesterreichische Nationalbank* (**OeNB**).

In 2010, OeNB and FMA jointly audited the credit portfolio of BA and certain of its subsidiaries in CEE countries and found several of the then applicable risk management and risk control mechanisms regarding credit risk in the CEE countries to be insufficient. As a result, OeNB and FMA concluded, in their audit report, that comprehensive credit risk management of the overall BA Group was not possible.

To address the deficiencies set out in the regulator's report, BA drew up, and is currently in the process of implementing, an action plan. The success of the action plan at systematically reducing the deficiencies is being monitored by the management board and the supervisory board of BA on a regular basis and by the FMA on the basis of quarterly reports prepared by BA. Starting from December 2012 to February 2013 OeNB staged a follow-up on-site inspection where they recognised that progress has been made with

respect to 2010, basically in all the improvement areas. However, the regulator stated as well that UCBA does not fully meet their expectations yet. Therefore BA filed a plan with further improvement-measures to be implemented.

Furthermore, in 2012 Bank Austria has been subject to two on-site examinations by the OeNB, both related to Bank Austria's control environment. The OeNB stated several deficiencies and Bank Austria reacted by setting up a comprehensive action plan which has been submitted to the OeNB. The progress of the action plan is now reported on a regular basis to the FMA and the OeNB.

Lastly in April 2013 OeNB started an on-site-examination focused on IT-Risk and Outsourcing.

CEE countries

Other Group companies operating in the CEE countries are subject to regular oversight activities, including inspections, audits and investigations or other fact-finding proceedings, by local regulatory authorities. These authorities carry out their activities with varying frequencies and methods, depending, among other things, on the country and the financial condition of Group company. As a result, local regulatory authorities may require Group companies to adopt certain organisational measures and/or impose sanctions or fines.

UniCredit, its subsidiaries and entities in which it has an investment are subject to scrutiny by competition authorities from time to time.

Following the investigation started in November 2011 against Yapı ve Kredi Bankası A.Ş.[26] ("**YKB**") and other eleven Turkish banks, on 8 March 2013, the Turkish Competition Authority ("**TCA**") announced the decision to impose administrative pecuniary fines on those banks for their alleged failure to comply with Turkish competition laws. With regard to YKB, the fine's amount is around TRY 150 million. Notwithstanding YKB firmly believes that it has complied with applicable laws, the bank intends to benefit from a 25 per cent. discount by making the payment of the relevant sum in due time and file an appeal against the decision of TCA for recovery of the paid amount thereafter.

Furthermore, there are investigations currently underway in Hungary (UniCredit Bank Hungary ZrT), in Croatia (Zagrebacka Banka d.d.) and Bosnia Herzegovina (UniCredit Bank D.D.).

UK

Both UniCredit S.p.A. and UCB AG branches are subject to the supervision of the local regulators, in particular to the supervision of the FSA.

The FSA audited the London branches of UniCredit and UCB AG at the end of 2010 in connection with their investment banking activities.

The FSA found irregularities in the reporting and control activities of UCB AG and imposed operating limits subject to UCB AG's successful remediation of those irregularities.

UCB AG has since adopted an action plan aimed to remedy those irregularities and which is monitored together with UniCredit and local regulators. The FSA has announced a second audit to validate the result in May this year.

Furthermore, the FSA imposed a penalty of GBP630,000 against a "special purpose vehicle" incorporated by UCB AG for the mortgage business for breach of the principles and rules of conduct relating to mortgages issued by the FSA.

CORPORATE OBJECTS

The purpose of UniCredit, as set out in Clause 4 of its Articles of Association, is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with

[26] Yapı ve Kredi Bankası A.Ş. is a bank incorporated under the laws of Turkey and controlled by Koç Financial Services A.Ş., a joint venture between UniCredit and Koç Group.

prevailing laws and practice, and to execute all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose, UniCredit may engage in any activity that is instrumental or in any case related to its banking and financial activities, including the issue of bonds and the acquisition of shareholding in Italy and abroad.

MAJOR SHAREHOLDERS

As at 13 May 2013, UniCredit share capital, fully subscribed and paid-up, amounted to €19,654,856,199.43 and comprised 5,791,633,617 shares without nominal value, of which 5,789,209,719 are ordinary shares and 2,423,898 are savings shares. UniCredit ordinary shares are listed on the Italian, German and Polish regulated markets. The shares traded on these markets have the same characteristics and confer the same rights on the holder. UniCredit savings shares (shares without voting rights and with preferential economic rights) are only listed on the Italian regulated market.

As at 13 May 2013, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in the Issuer were:

Main Shareholders	**Ordinary Shares**	**%***
Aabar Luxembourg S.A.R.L.	376,200,000	6.498%
PGFF Luxembourg S.A.R.L.	290,000,000	5.009%
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	204,508,472	3.533%
Delfin S.A.R.L.	173,685,000	3.000%
Central Bank of Libya Group	168,529,755	2.911%
Capital Research and Management Company	158,097,471	2.731%
Right of vote for discretional asset management - *dont on behalf of:* EuropeanPacific Growth Fund	127,901,060	2.209%
Carimonte Holding S.p.A.	131,213,277	2.267%
Allianz Group	121,280,348	2.095%

* As a percentage of ordinary capital.

According to Clause 5 of UniCredit's Articles of Association, no one entitled to vote may vote, for any reason whatsoever, for a number of shares exceeding 5 per cent. of the share capital bearing voting rights.

For the purposes of computing said threshold, one must take into account the global stake held by the controlling party, (be it a private individual, legal entity or company), all subsidiaries – both direct and indirect – and affiliates, as well as those shares held through trustee companies and/or third parties and/or those shares whose voting rights are attributed for any purpose or reason to a party other than their owner; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates, on the other hand, must not be taken into consideration.

No individual or entity controls the Issuer within the meaning provided for in Article 93 of the Legislative Decree No. 58 of 24 February 1998, as amended.

MATERIAL CONTRACTS

UniCredit has not entered into any contracts in the last two years outside the ordinary course of business that could materially prejudice its ability to meet its obligations under the Notes or Guarantee.

MANAGEMENT OF UNICREDIT

Board of Directors

The board of directors (the **Board**) is responsible for strategic supervision and management of UniCredit and the Group and it may delegate its powers to the Chief Executive Officer and other Board members.

The Board is elected by UniCredit shareholders at a general meeting for a three financial year term, unless a shorter term is established upon their appointment, and Directors may be re-elected. Under UniCredit by-laws, the Board is composed of between a minimum of nine and a maximum of twenty-four Directors.

The Board of Directors currently in office was appointed by UniCredit Ordinary Shareholders' Meeting on 11 May 2012 for a term of three financial years and is composed of 19 members. The term in office of the current members of the Board will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2014.

The Board can appoint one or more General Managers and/or one or more Deputy General Managers, establishing their roles and areas of competence. Should a Chief Executive Officer not have been appointed, the Board of Directors shall appoint a sole General Manager, and can appoint one or more Deputy General Managers, establishing their roles and areas of competence. The Board has appointed Mr. Federico Ghizzoni as Chief Executive Officer.

The following table sets forth the current members of UniCredit Board of Directors.

Name	Position
Giuseppe Vita[1]	Chairman
Candido Fois[1]	Deputy Vice Chairman
Vincenzo Calandra Buonaura[1]	Vice Chairman
Luca Cordero di Montezemolo[2]	Vice Chairman
Fabrizio Palenzona[1]	Vice Chairman
Federico Ghizzoni[1-3]	Chief Executive Officer
Mohamed Ali Al Fahim[2-4]	Director
Manfred Bischoff[2]	Director
Henryka Bochniarz[2]	Director
Alessandro Caltagirone[2]	Director
Francesco Giacomin[1]	Director
Helga Jung[1-3]	Director
Marianna Li Calzi[2]	Director
Luigi Maramotti[2]	Director
Giovanni Quaglia[2-4]	Director
Lucrezia Reichlin[2]	Director

Name	Position
Lorenzo Sassoli de Bianchi[2]	Director
Alexander Wolfgring[2-5]	Director
Anthony Wyand[2]	Director

Notes:—

(1) Director does not meet independence requirements pursuant to Section 3 of the Corporate Governance Code.

(2) Director meets independence requirements pursuant to Section 148 of the Financial Services Act and Section 3 of the Corporate Governance Code.

(3) Director does not meet independence requirements pursuant to Section 148 of the Financial Services Act.

(4) Director co-opted by the Board on 18 October 2012 and appointed by the Shareholders' Meeting on 11 May 2013.

(5) Director appointed by the Shareholders' Meeting on 11 May 2013.

The business address for each of the foregoing Directors is UniCredit S.p.A., Head Office, Milan, Italy.

Other principal activities performed by the members of the Board which are significant with respect to UniCredit are listed below:

Giuseppe Vita

- Chairman of the Supervisory Board of Axel Springer AG - Germany
- Member of the Board of Directors of ABI - Italian Banking Association - Italy
- Member of the General Council of Aspen Institute Italia
- Member of the Trilateral Commission - Italian Group
- Member of the Board of Directors of Associazione Italiana per la Ricerca sul Cancro Italy
- Member of the Board of Directors of ISPI – Istituto per gli Studi di Politica Internazionale - Italy
- Honorary Chairman of Deutsche Bank S.p.A. - Italy

Candido Fois

- Full Professor of Business Law at the Faculty of Law - Università degli Studi Padova
- Chairman of the Board of UniCredit Credit Management Bank S.p.A.
- Director of Telecom Italia Media S.p.A.
- Director and member of the Executive Committee of ABI - Italian Banking Association
- Chairman of the Board of Faeda S.p.A.
- Lawyer

Vincenzo Calandra Buonaura

- Member of the Board of Directors of ABI - Italian Banking Association

Luca Cordero di Montezemolo

- Chairman of Ferrari S.p.A.
- Chairman of Telethon
- Chairman of Charme Management S.r.l.
- Director of FIAT S.p.A.
- Director of Nuovo Trasporto Viaggiatori S.p.A.
- Director of Editrice La Stampa
- Director of PPR
- Director of Tod's S.p.A.
- Director of Poltrona Frau S.p.A.
- Director of Montezemolo & Partners SGR
- Director of OCTO Telematics S.p.A.
- Director of Delta Topco

Fabrizio Palenzona

- Chairman of Gemina S.p.A.
- Chairman of Assaeroporti S.p.A. - Associazione Italiana Gestori Aeroporti
- Chairman of ADR S.p.A
- Chairman of FAISERVICE SCARL
- Chairman of AISCAT (Italian Association of Toll Motorways and Tunnels Operators)
- Member of the Board of Directors of ABI - Italian Banking Association
- Member of the Executive Committee of Giunta degli Industriali di Roma
- Member of the Board of Directors of Università degli Studi del Piemonte Orientale "Amedeo Avogadro"

Federico Ghizzoni

- Member of the Board of Directors and the Executive Committee of ABI – Italian Banking Association
- Member of the EFR European Financial Services Roundtable
- Member of the Steering Committee of the Stockholders' Agreement of Mediobanca S.p.A.
- Chairman of Associazione Filarmonica della Scala
- Member of IIEB Institute International d'Etudes Bancaires – Brussels

- Member of IMC International Monetary Conference (Washington)
- Member of the Council for the United States and Italy
- Member of the Strategic Board of Sodalitas
- Member of the Board of Directors of Institute of International Finance

Mohamed Ali Al Fahim

- Head of Finance, Finance & Accounts Department of International Petroleum Investment Company (IPIC)
- General and Supervisory Board Member of Energias de Portugal, S.A.
- Member of the Board of Directors of Aabar Investments PJS
- Member of the Board of Directors of Arabtec Holdings PJSC
- Member of the Board of Directors of First Energy Bank
- Member of the Board of Directors of Alizz Islamic Bank
- Member of the Board of Directors of Depa Ltd.

Manfred Bischoff

- Chairman of the Supervisory Board of Daimler AG
- Chairman of the Supervisory Board of Voith GmbH
- Member of the Board of Directors of EADS N.V.

Henryka Bochniarz

- President, Boeing Central & Eastern Europe
- President, Polish Confederation of Private Employers Lewiatan
- Vice President, BUSINESSEUROPE
- Deputy Chair, Tripartite Committee for Social and Economic Affairs
- Member of the Enterprise and Industry Advisory Group
- Member of the Supervisory Board, Telekomunikacja Polska S.A.
- Member of the Supervisory Board, AVIVA S.A.
- Member of the International Advisory Board, Kozminski University
- Co-founder of the Congress of Women and the Congress of Women Association
- Chairperson of the joint Polish-Japanese Economic Committee
- Member of the Board of Trustees, Polish National Museum

- Vice President, The Stanislaw Ignacy Witkiewicz Art Foundation

Alessandro Caltagirone

- Board Member and Executive Committee Member of Vianini Lavori S.p.A.
- Chief Executive of Vianini Ingegneria S.p.A.
- Chairman of the Board of Vianini Industria S.p.A.
- Board Member of Il Messaggero S.p.A.
- Board Member of Cementir Holding S.p.A.
- Board Member of Caltagirone S.p.A.
- Board Member of Caltagirone Editore S.p.A.
- Board Member of Il Gazzettino S.p.A.
- Investment Committee Member of Fabrica Immobiliare SGR S.p.A.
- Vice President of UIR - Unione degli Industriali di Roma
- Member of "Zoning Commission & Territory" of ANCE Associazione Nazionale Costruttori Edili
- Teaching Assistant, Faculty of Science Communication (Business Administration) of Universita degli studi di Roma "La Sapienza"
- Chairman of the Board of FCG S.p.A.
- Chairman of the Board of Finanziaria Italia 2005 S.p.A.
- Chairman of the Board of Fincal S.p.A.
- Chairman of the Board of Romana Partecipazioni 2005 S.r.l.
- Chairman of the Board of Ical S.p.A.
- Chief Executive of Immobiliare Ara Coeli S.r.l.
- Chief Executive of Alca 1969 S.r.l.
- Chief Executive of Ced 2008 S.r.l.
- Chief Executive of Corso 2009 S.r.l.
- Chief Executive of Euclide 2000 S.r.l.
- Board Member of Finanziaria Italia S.p.A.
- Board Member of Cimentas A.S.

Francesco Giacomin

- Chairman of "La Fornace dell'innovazione" Foundation

- Chairman of Industrial Park AD - Sofia
- Chairman of Fidiprof Nord Società Cooperativa - Milano
- Member of Commissione Amministratrice of the Fondo di Previdenza "G. Caccianiga"
- Member of the Board of Directors of ABI - Italian Banking Association
- Director of i Tigli 2, Società Cooperativa Onlus - Oderzo (TV)
- Secretary to Confartigianato Treviso
- Director of Ente Bilaterale Artigianato Veneto
- Business Consultant

Helga Jung

- Member of the Supervisory Board of Allianz Global Corporate & Speciality AG
- Member of the Board of Directors of Allianz Seguros, Spain
- Non-Executive Member of the Board of Directors of Companhia de Seguros Allianz Portugal S.A.
- Member of the Management Board of Allianz SE

Marianna Li Calzi

- Member of the Board of Directors of Civita Sicilia S.r.l.

Luigi Maramotti

- Chairman of Max Mara S.r.l.
- Vice Chairman of Max Mara Fashion Group S.r.l.
- Member of the Board of Directors of COFIMAR S.r.l.
- Vice Chairman of Max Mara Finance S.r.l.

Giovanni Quaglia

- Chairman of Autostrada Torino-Savona S.p.A.
- Member of the Board of Directors of SIAS S.p.A.
- Member of the Board of Arbitrators of AISCAT
- Chairman of the Board of Directors Co.Ge.Tech S.p.A.
- Chairman of the Board of Directors Co.Ge.Mat S.p.A.
- Chairman of the Board of Statutory Auditors of Perseo S.p.A.
- Statutory Auditor of EFFETI S.p.A.
- Chairman of the Board of Directors of OGR-CRT S.c.p.a.

- Chairman of the Board of Directors of "Le Terre dei Savoia" tourist bureau
- Member of the Board of Directors of Università degli Studi di Scienze Gastronomiche of Pollenzo
- Chairman of the Cuneo Chapter of the "Associazione Dante Alighieri"

Lucrezia Reichlin

- Member of the Scientific Board of over ten international institutions, including universities and banks; various editorial activities on international journals; member of the assessment panel of research projects on social sciences financed by the European Union (ERC), "Fellow" at the Centre for European Policy Research, London, "Fellow" of the European Economic Association.
- Co Founder and Director of Now Casting Economics Ltd.
- Member of the Board of Directors of Messaggerie Italiane S.p.A.

Lorenzo Sassoli de Bianchi

- Chairman of the Board of Valsoia S.p.A.
- President of U.P.A. (Utenti Pubblicità Associati), the Italian Association of Investors in Advertising
- President of MAMbo, the Bologna Museum of Modern Art

Alexander Wolfgring

- Member of the Board of Directors (Executive Director), Privatstiftung zur Verwaltung von Anteilsrechten, Vienna
- Member of the Board of Directors AVB Holding GmbH, Vienna
- Member of the Board of Directors API Besitz, GmbH, Vienna
- Member of the Board of Directors SBV Social Business GmbH, Vienna
- Member of the Supervisory Board, Österreichisches Verkehrsbüro AG, Vienna
- Member of the Board of Directors AVZ GmbH, Vienna
- Member of the Board of Directors AVZ Holding GmbH, Vienna
- Member of the Board of Directors AVZ Finanz-Holding GmbH, Vienna
- Member of the Board of Directors LVBG Luftverkehrsbeteiligungs GmbH, Vienna

Anthony Wyand

- Member of the Board of Directors of AVIVA France
- Member of the Board of Directors of Société Foncière Lyonnaise S.A.
- Deputy Chairman of Société Générale

Senior Management

The following table sets out the name and title of each of the senior managers of the Issuer and of the Group:

Name	Title	Other principal activities performed by the Senior Managers which are significant with respect to UniCredit
Federico Ghizzoni	Chief Executive Officer and General Manager	Please see Management – Board of Directors
Roberto Nicastro	General Manager	ABI (Italian Banking Association) – Member of the Board of Directors, Member of the Executive Committee and Chairman of the Technical Committee on Communications; ASSONIME (Association of the Italian Joint Stock Companies) – Member of the Board of Directors.
Paolo Fiorentino	Deputy General Manager and Chief Operating Officer – responsible for organisational, operational and service functions (so-called "GBS" functions)	NEEP Roma Holding S.p.A. – Chairman of the Board of Directors; Officinae Verdi S.p.A. – Vice Chairman of the Board of Directors; A.S. ROMA S.p.A. – Member of the Board of Directors and Member of the Executive Committee.
Jean-Pierre Mustier	Deputy General Manager – Head of CIB Division	Siemens Financial Services Gmbh – Member of the Pension Advisory Board.
Nadine Farida Faruque	General Counsel & Group Compliance Officer	None.
Alessandro Maria Decio	Group Chief Risk Officer	Mediobanca Banca di Credito Finanziario S.p.A. – Member of the Board of Directors; Borsa Italiana S.p.A. – Member of the Board of Directors; EFMA (European Financial Management and Marketing) - Member of the Board of Directors;
Marina Natale	Chief Financial Officer and Manager in charge of preparing the Issuer's financial reports	None.
Paolo Cornetta	Group Head of Human Resources	UniCredit Foundation (Unidea) – Vice Chairman of the Board of Directors; ES Shared Service Center S.p.A. – Member of the Board of Directors; ABI (Italian Banking Association) – Member of the Committee on Labour and Industrial Relations (Casl).

Name	Title	Other principal activities performed by the Senior Managers which are significant with respect to UniCredit
Ranieri de Marchis	Head of Internal Audit	9REN Italia S.r.l. – Member of the Supervisory Body; Fondo Interbancario di Tutela dei Depositi – Member of the Board of Directors.

The business address for each of the foregoing members of UniCredit's senior management is UniCredit S.p.A., Head Office, Milan, Italy.

Board of Statutory Auditors

UniCredit's Board of Statutory Auditors supervises compliance with laws, regulations and the Articles of Association, the adequacy and functionality of the organisational and accounting structure of UniCredit as well as the overall functionality of the internal control system, with particular focus on risk management. The Board of Statutory Auditors supervises the financial disclosure process, the external auditing of the individual and consolidated financial statements and monitors the independence of the external audit firm. The Board of Statutory Auditors shall also report any irregularities or violations of the legislation to the Bank of Italy and, where required, to other supervisory authorities, and shall report to the Shareholders' Meetings called to approve the company's financial statements on the supervisory activity performed and on any omissions and censurable detected facts.

The Board of Statutory Auditors currently in office was appointed by UniCredit Ordinary Shareholders' Meeting on 11 May 2013 for a term of three financial years and its members may be re-elected. The Board of Statutory Auditors consists of five permanent statutory auditors, including a Chairman, and four substitute statutory auditors. Following the above-mentioned Shareholders' Meeting, one of the Substitute Auditors, Mr. Marco Lacchini, resigned as from 7 June 2013.

The term in office of the current members of the Board of Statutory Auditors will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2015.

All of the members of the Board of Statutory Auditors are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the members of the Board of Statutory Auditors is UniCredit S.p.A., Head Office, Milan, Italy.

The following table sets out the name, position and year of appointment of the current members of the Board of Statutory Auditors of UniCredit:

Name	Position	Year of appointment
Maurizio Lauri	Chairman	2013
Giovanni Battista Alberti	Permanent Auditor	2013
Cesare Bisoni	Permanent Auditor	2013
Enrico Laghi	Permanent Auditor	2013
Maria Enrica Spinardi	Permanent Auditor	2013
Federica Bonato	Substitute Statutory Auditor	2013
Paolo Domenico Sfameni	Substitute Statutory Auditor	2013
Beatrice Lombardini	Substitute Statutory Auditor	2013

Other principal activities performed by the Statutory Auditors of UniCredit which are significant with respect to UniCredit are listed below:

Maurizio Lauri

- Permanent Auditor of Tirreno Power S.p.A.
- Chairman of the Board of Statutory Auditors of Cosmic Blue Team S.p.A.
- Chairman of the Board of Statutory Auditors of GDF Suez Rinnovabili S.p.A.
- Chairman of the Board of Statutory Auditors of GDF Suez Produzione S.p.A.
- Chairman of the Board of Statutory Auditors of Rino Immobiliare S.r.l.
- Chairman of the Board of Statutory Auditors of Pratesi Service S.r.l.
- Chairman of the Board of Statutory Auditors of Lori S.p.A.
- Chairman of the Board of Statutory Auditors of Rino Pratesi S.p.A.
- Chairman of the Board of Statutory Auditors of Pratesi Hotel Division S.r.l.
- Chairman of the Board of Directors of RSM Tax & Advisory S.r.l.
- Permanent Auditor of Hello-Capital S.p.A.
- Liquidator of Help Rental Service S.r.l.
- Limited Partner of AGF di Susanna Barbaliscia & C.
- Substitute Auditor of ENI S.p.A.

Cesare Bisoni

- Member of the Board of Auditors of Fondazione Universitaria Marco Biagi
- Director at the Foundation Demo Center – Sipe
- Substitute Auditor of Modena Formazione per la Pubblica Amministrazione e per l'Impresa S.r.l.

Giovanni Battista Alberti

- Any appointment

Enrico Laghi

- Chairman of Board of Directors of Beni Stabili S.p.A.
- Director of B4 Holding S.r.l.
- Liquidator of Lkts SpA in liquidation and other companies owned by Ktesios Group
- Sole Administrator of Studio Laghi S.r.l.
- Sole Administrator of Radiology 2002 S.r.l.
- Chairman of the Board of Statutory Auditors of Acea S.p.A.
- Chairman of the Board of Statutory Auditors of Prelios S.p.A.
- Permanent Auditor of Pirelli & C. S.p.A.

– Statutory Auditor of Gruppo Editoriale Espresso S.p.A.

– Permanent of the Board of Statutory Auditors Acea Produzione S.p.A.

– Permanent Auditor of Servizi Aerei S.p.A. (Eni Group)

Maria Enrica Spinardi:

– Liquidator of Webasto Product Italy S.p.A. in liquidation

– Substitute Auditor of Equiter S.p.A.

CONFLICT OF INTERESTS

As at the date of this Base Prospectus and to the best of UniCredit's knowledge, none of the functions performed by any of the Members of the UniCredit managing and controlling bodies mentioned above could be considered in conflict of interest with their private interest and/or other duties in the light of the Italian legal framework.

Furthermore, the above mentioned Members must indeed comply with the applicable provisions aimed at regulating instances where there exists a specific interest concerning the implementation of an operation.

EXTERNAL AUDITORS

UniCredit's annual financial statements must be audited by external auditors appointed by its shareholders, under reasoned proposal by UniCredit's Board of Statutory Auditors. The shareholders' resolution and the Board of Statutory Auditors' reasoned proposal are communicated to CONSOB. The external auditors examine UniCredit's annual financial statements and issue an opinion regarding whether its annual financial statements comply with the IAS/IFRS issued by the International Accounting Standards Board as endorsed by the European Union governing their preparation; which is to say whether they are clearly stated and give a true and fair view of the financial position and results of the Group. Their opinion is made available to UniCredit's shareholders prior to the annual general shareholders' meeting.

Since 2007, following a modification of Legislative Decree No. 58 of 24 February 1998 (the **Financial Services Act**), listed companies may not appoint the same auditors for more than nine years. At the annual general shareholders' meeting of UniCredit held on 4 May 2004, KPMG S.p.A. (**KPMG**) was appointed to act as UniCredit's external auditor for a period of three years and during the general shareholders' meeting of UniCredit held on 10 May 2007 KPMG's engagement was extended for a further six years, to complete the nine-year period allowed by the Financial Services Act.

UniCredit's external auditor KPMG S.p.A. is registered on the roll of chartered accountants held by the Ministry of Justice and in the register of Auditing Firms held by CONSOB.At the ordinary and extraordinary shareholders' meeting of UniCredit held on 11 May 2012, Deloitte & Touche S.p.A. (**Deloitte**) has been appointed to act as UniCredit's external auditor for the 2013-2021 nine-year period, pursuant to Article 13, paragraph 1, of Legislative Decree no. 39/2010 and to CONSOB Communication 97001574 dated 20 February 1997.

RECENT DEVELOPMENTS

As at the date of this Base Prospectus, there has been no significant change in the financial or trading position of UniCredit and the Group since the last unaudited consolidated interim financial information, as at and for the three months ended 31 March, 2013.

Description of UniCredit Ireland

HISTORY

UniCredit Ireland was incorporated in Ireland on 7 November 1995 under the Irish Companies Act 1963 (as amended). UniCredit Ireland changed its name from Credito Italiano (Ireland) Limited to Credito Italiano Bank (Ireland) Limited on 19 December 1997 and received a banking licence from the Central Bank of Ireland on 24 December 1997 pursuant to section 9 of the Irish Central Bank Act 1971 (as amended). Registration as a public limited company was completed on 2 April 1998. UniCredit Ireland changed its name to UniCredito Italiano Bank (Ireland) p.l.c. on 1 November 1999 and to UniCredit Bank Ireland p.l.c. on 12 December 2007.

UniCredit Ireland is registered with the Registrar of Companies in Dublin under registration number 240551 and has its registered office at La Touche House, International Financial Services Centre, Dublin 1, Ireland, telephone number +353 1 670 2000.

UniCredit Ireland is an autonomous operating unit within the wider Group and as a fully owned subsidiary is subject to the coordination and support of the parent entity. This support extends to UniCredit Ireland's financial dependence as evidenced by UniCredit's injection of €2.2 billion in share capital and capital contributions to facilitate its ongoing trading activities.

UniCredit Ireland is engaged in the business of banking and provision of financial services. Its main business areas include credit and structured finance (including investing in loans, bonds, securitisation and other forms of asset financing), treasury activities (money market, repurchase agreements or "repos", Euro Over Night Index Average (EONIA) and other interest rate swaps, foreign exchange and futures) and the issue of certificates of deposit and structured notes.

CORPORATE OBJECTS

The purpose of UniCredit Ireland, as set out in Article 3 of the Articles of Association, is to carry on the business of banking.

RECENT EVENTS

There are no recent events particular to UniCredit Ireland which are to a material extent relevant to an evaluation of UniCredit Ireland's solvency.

PRINCIPAL MARKETS

In market terms, UniCredit Ireland focuses on the business of credit and structured finance, treasury activities and the issue of certificates of deposit and structured notes primarily in Europe and North America.

RECENT INVESTMENTS

UniCredit Ireland did not make significant investments since the date of the last published financial statements.

MATERIAL CONTRACTS

UniCredit Ireland has not entered into any contracts which could materially prejudice its ability to meet its obligations under the Notes.

DIRECTORS

The following table sets forth the name, age, position and date of appointment of the current members of the Board of Directors of UniCredit Ireland:

Description of UniCredit Ireland

Name	Age	Position	Year First Appointed
Ronan Molony	54	Chairman	2008
Mirko Bianchi	51	Deputy Chairman	2010
Michele De Capitani	44	Managing Director	2013
Donal Courtney	49	Director	2010
Aldo Soprano	44	Director	2012
Margaret J Gilroy	57	Director	2013
Pier Mario Satta	42	Director	2009

The business address for each of the foregoing directors is UniCredit Bank Ireland p.l.c., La Touche House, International Financial Services Centre, Dublin 1, Ireland.

The principal activities performed by the Directors outside UniCredit Ireland are set out briefly below:

Ronan Molony – Chairman of UniCredit Bank Ireland p.l.c. – Lawyer, partner in McCann FitzGerald and a director of Russhold Limited.

Mirko Bianchi – Deputy Chairman of UniCredit Bank Ireland p.l.c.

Michele De Capitani – Managing Director of UniCredit Bank Ireland p.l.c.

– Member of the Board of Directors of Asso SRL

– Member of the Board of Directors of Metalcolor Spa

– Member of the Board of Directors of Ferrari Meccanica Spa

– Member of the Board of Directors of Metal Immobiliare spa

Donal Courtney – Director of UniCredit Bank Ireland p.l.c.

– Member of the Board of Directors of Caperange Investments

– Member of the Board of Directors of Longreach Holdings Ireland Limited

– Member of the Board of Directors of Pinecourt Consulting Limited

– Member of the Board of Directors of Pinecourt Consulting Limited

– Member of the Board of Directors of Dell DFS Limited

– Member of the Board of Directors of Sanne Capital Markets Ireland Limited

Pier Mario Satta – Director of UniCredit Bank Ireland p.l.c.

– Member of the Board of Directors of Assiom Forex

Aldo Soprano – Director of UniCredit Bank Ireland p.l.c.

Margaret J Gilroy – Director of UniCredit Bank Ireland p.l.c.

– Member of the Board of Directors of Castle Mortgages Limited

– Member of the Board of Directors of Emerald Mortgages No. 4 p.l.c.

– Member of the Board of Directors of Emerald Mortgages No. 5 Limited

– Member of the Board of Directors of JGFC Limited

– Member of the Board of Directors of Talos Capital Limited

CONFLICTS OF INTERESTS

UniCredit Ireland is not aware of any potential conflicts of interests between the duties to UniCredit Ireland of the foregoing directors and their private interests or other duties.

EXTERNAL AUDITORS

At the annual general shareholders' meeting of UniCredit Ireland held on 6 March 2013, Deloitte & Touche were appointed to act as UniCredit Ireland's external auditor for a period of three years and KPMG resigned as external auditors for UniCredit Ireland. UniCredit Ireland's external auditors are registered auditors with the Institute of Chartered Accountants in Ireland.

CAPITAL

The authorised share capital of UniCredit Ireland is €1,343,118,650. There has been no change in the authorised share capital of UniCredit Ireland since 31 December 2012.

Description of UniCredit International Luxembourg

HISTORY

UniCredit International Luxembourg was incorporated in the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) on 30 September 2004 under the name UniCredit International (Luxembourg) S.A. By a resolution passed at an extraordinary general meeting of shareholders held on 29 October 2004, its articles of incorporation were amended and restated and its name was changed to UniCredit International Bank (Luxembourg) S.A. with effect from 1 November 2004. UniCredit International Luxembourg is incorporated for an unlimited duration.

UniCredit International Luxembourg is a credit institution and is supervised by the CSSF.

UniCredit International Luxembourg is registered with the Luxembourg trade and companies register under the number B.103.341 and has its registered office at 8-10 rue Jean Monnet, L-2180 Luxembourg, telephone number +352 22 08 42-1 (Switchboard).

UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit subject to the coordination and support of the parent entity and owns a 100 per cent. interest in a subsidiary named UniCredit Luxembourg Finance S.A., whose principal object is the issue of securities in the US market under a USD 10 billion medium term note programme guaranteed by UniCredit SpA.

RECENT EVENTS

In the context of the reorganisation of UniCredit Group's banking activities in the Grand Duchy of Luxembourg, UniCredit International Luxembourg sold, with effect from 1 August 2009, all its Private Banking activities to UniCredit Luxembourg S.A. (formerly H.V.B. Luxembourg S.A.). There was no change in the legal structure of UniCredit International Luxembourg.

BUSINESS

UniCredit International Luxembourg is engaged in the business of banking and the provision of financial services.

Following the transfer of all Private Banking activities to UniCredit Luxembourg S.A. (1 August 2009), its main business areas include:

- treasury activities (money market, repurchase agreements or "repos", interest rate swaps, foreign exchange)
- issue of certificates of deposit and structured notes;
- selective investments for its own account;
- acting as the reference structure in Luxembourg for the strategic funding activities of the UniCredit Group;
- treasury services for institutional and corporate counterparties; and
- management of the remaining credit portfolio.

RECENT INVESTMENTS

UniCredit International Luxembourg has not made any significant investments since the date of its last published financial statements as at and for the year ended 31 December 2012.

CONSTITUTION

UniCredit International Luxembourg was incorporated pursuant to a notarial deed of Maître Frank Baden, a notary resident in Luxembourg, on 30 September 2004. The articles of incorporation of UniCredit International Luxembourg are published in the *Luxembourg Mémorial, Recueil des Sociétés et Associations* number C-No 1040 of 18 October 2004 on page 49877.

The articles of incorporation of UniCredit International Luxembourg were amended and restarted following a notarial deed dated 29 October 2004 and are published, as amended, in the *Luxembourg Mémorial C, Recueil des Sociétés et Associations* No. 1183 of 20 November 2004 on page 56741. The articles of incorporation of UniCredit International Luxembourg were further amended by a decision taken during an extraordinary general meeting of shareholders held on 28 January 2010. Such decision was published in the *Luxembourg Mémorial C, Recueil des Sociétés et Associations* No 58/2 of 18 March 2010 on page 27928.

CORPORATE OBJECTS

Pursuant to article 3 of UniCredit International Luxembourg's articles of incorporation, UniCredit International Luxembourg's corporate objects are the undertaking for its own account, as well as for the account of third parties, or on joint account with third parties, either within or outside the Grand Duchy of Luxembourg, of any banking or financial operations, including (but not limited to) the receipt of sight or term deposits in any currencies whatsoever, the granting of and taking of participations in credits of any nature and in any currency or currencies whatsoever and in any manner whatsoever, the trading of foreign currencies, the safekeeping and managing of securities, the administration and collection of coupons including the powers to make endorsement, the discount, rediscount, selling and settlement transactions, as well as any other transaction relating to bonds, notes, bills of exchange and other obligations of any kind and the power to issue and confirm letters of credit and documentary credits of any kind and the subscription, purchase, holding and disposal of shares, stock, bonds, notes and securities of any kind of and in any other company by any mean whatsoever, in the organisation and management for its own account, as well as for the account of any natural person or any Luxembourg or foreign company, either within or outside the Grand Duchy of Luxembourg, of any financial or commercial investment, the performance of any operation whatsoever relating to the activity of assets manager in the widest sense of the legislation on the financial sector and of the activities of financial adviser, broker and commissioner, the provision of fiduciary and domiciliation services.

UniCredit International Luxembourg can perform all other operations, whether industrial or commercial or on real estate, which directly or indirectly relate to its corporate object in order to facilitate the accomplishment of its purpose.

MATERIAL CONTRACTS

UniCredit International Luxembourg has not entered into any contracts which could materially prejudice its ability to meet its obligations under the Notes.

DIRECTORS

UniCredit International Luxembourg is managed by a board of directors composed of at least three members who may, but need not also, be shareholders, who are appointed for a period not exceeding six years by the general meeting of shareholders which may at any time remove them. The directors are eligible for re-appointment.

UniCredit International Luxembourg complies with the laws and regulations of the Grand Duchy of Luxembourg regarding corporate governance.

The number of directors, their term and their remuneration are fixed by the general meeting of the shareholders. UniCredit International Luxembourg is bound vis-à-vis third parties by the sole signature of the Chairman, the Vice-Chairman, a Managing Director or by the joint signature of two other directors.

As at the date of this Base Prospectus, the following table sets out the name, position and business address of the current members of the board of directors of UniCredit International Luxembourg:

Name	**Title**	**Address**
Jacques Santer	Chairman	8 – 10, rue Jean Monnet, L-2180 Luxembourg
Waleed El-Amir	Vice-Chairman	via San Protaso, 3, I-20121 Milan
Stefano Ceccacci	Director	via San Protaso, 3, I-20121 Milan
Kathrin Kerls	Director	8 – 10, rue Jean Monnet, L-2180 Luxembourg
Alessandro Maldifassi	Director	via San Protaso 3, I-20121 Milan

The principal activities performed by the Directors outside UniCredit International Luxembourg are set out briefly below:

Jacques Santer – Chairman of the Board of Directors

– Honorary State Minister of the Grand Duchy of Luxembourg

Waleed El-Amir – Vice-Chairman of the Board of Directors – Head of Strategic Funding and Portfolio - UniCredit S.p.A. Milan

Stefano Ceccacci

– Head of Tax Affairs – UniCredit S.p.A. Milan

Kathrin Kerls

– C.E.O. of UniCredit Luxembourg S.A.

Alessandro Maldifassi

– Accounting Principles and Disclosure – UniCredit S.p.A. Milan

CONFLICT OF INTERESTS

UniCredit International Luxembourg is not aware of any potential conflicts of interests between the duties to UniCredit International Luxembourg of the Directors and their private interests or other duties.

EXTERNAL AUDITORS

On 11 March 2013 the Annual General Meeting of Shareholders has appointed as independent auditors for a period of one year (with annually renewal) Deloitte Audit S.à. r.l., 560, Rue de Neudorf, L-2220 Luxembourg. Deloitte Audit S.à. r.l. is an approved audit firm in Luxembourg, registered with the Luxembourg trade and companies register under the number B0067895.

The independent auditors (*réviseur d'entreprises agréé*) of UniCredit International Luxembourg who have audited the annual financial statements as at and for the financial years ended 31 December 2009, 31 December 2010, 31 December 2011 and 31 December 2012 without qualification, in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier together with Luxembourg legislation and the Practice Guidelines (*recommandations professionnelles*) issued by the CSSF and the Institut des réviseurs d'entreprises, are KPMG Luxembourg S.à r.l, 9, Allée Scheffer, L-2520 Luxembourg.

Book Entry Clearance Systems

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor, the Trustee nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records or payments relating to such beneficial ownership interests.

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the Issuers and the Guarantor that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, a member of the Federal Reserve System and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the post trade settlement among Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry changes between Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations (**Direct Participants**). DTC is a wholly-owned subsidiary of the Depositary Trust & Clearing Corporation (**DTCC**). DTC, in turn, is owned by a number of Direct Participants and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Direct or Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the United States Securities and Exchange Commission. Direct and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants can receive payments and transfer their interest with respect to the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings of DTC Notes on behalf of their customers.

Delivery of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes of a Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series to be redeemed.

Neither DTC nor Cede & Co. nor such other nominee will consent or vote with respect to DTC Notes. Under its usual procedures, DTC will mail an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct or Indirect Participant and not of DTC or its nominee or the relevant Issuer or the Guarantor, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC is the responsibility of the relevant Issuer or the Guarantor, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*". Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below. None of the Issuers nor the Guarantor accept any responsibility or liability for any such payments to be made by DTC or by Direct or Indirect Participants.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to

Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The relevant Issuer will apply to DTC in order to have each Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of DTC Participants. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be held through Direct Participants or Indirect Participants of DTC, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made by the relevant Issuer to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuers expect DTC to credit the accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuers also expect that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the relevant Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form (see "*Form of the Notes*"). Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will

generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a delivery free of payment basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Guarantor, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective Direct or Indirect Participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Taxation

The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary 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 Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

TAXATION IN THE REPUBLIC OF ITALY

Tax treatment of Notes issued by an Italian resident issuer

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian banks.

The tax regime set forth by Decree 239 also applies to interest, premium and other income from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks, other than shares and assimilated instruments.

Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under "Capital gains tax" below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 20 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), as clarified by the Italian Revenues Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a substitute tax of 20 per cent. will apply, in certain

circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Substitute Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

The *imposta sostitutiva* will be applicable at the rate of 20 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

The countries which allow for a satisfactory exchange of information are listed in the Ministerial Decree dated 4 September 1996, as amended from time to time.

Please note that according to the Law No. 244 of 24 December 2007 (**Budget Law 2008**) a Decree still to be issued will introduce a new "white list" replacing the current "black list" system, so as to identify those countries which allow for a satisfactory exchange of information.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

Tax treatment of Notes issued by a non-Italian resident issuer

Decree 239 also provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling

within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by a non-Italian resident issuer.

Italian resident Noteholders

Where the Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity, to which the relevant Notes are connected (unless he has opted for the application of the "*risparmio gestito*" regime – see *Capital Gains Tax*, below), (b) a non-commercial partnership, (c) a non-commercial private or public institution, or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 20 per cent. In the event that Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the relevant Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an Intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP).

Under the current regime provided by Decree 351, as clarified by the Italian Revenues Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is a Fund, and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management result of the Fund. The Fund will not be subject to taxation on such result, but the Collective Investment Fund Substitute Tax will apply, in certain circumstances, to distributions made in favour of unitholders or sharehoders.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by an Intermediary.

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes.

For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to Notes issued by a non-Italian resident issuer, provided that, if such Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Payments made by an Italian resident guarantor

With respect to payments on the Notes made to Italian resident Noteholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Notes may be subject to a provisional withholding tax at a rate of 20 per cent. pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In case of payments to non-Italian resident Noteholders, the final withholding tax may be applied at 20 per cent.

Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

In accordance with another interpretation, any such payment made by the Italian resident guarantor will be treated, in certain circumstances, as a payment by the relevant issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 20 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

In the case of Notes issued by an Italian resident issuer, where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty.

If the Notes are issued by a non-Italian resident issuer, the withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities); (b) a commercial partnership; or (c) a commercial private or public institution.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non commercial partnership, (iii) a non commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. Noteholders may set off losses with gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance 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.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon 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 the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" 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 a 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351 as subsequently amended apply will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes issued by an Italian resident issuer and traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

The countries which allow for a satisfactory exchange of information are listed in the Ministerial Decree dated 4 September 1996, as amended from time to time.

Please note that, according to the Budget Law 2008, a Decree still to be issued should introduce a new 'white list' replacing the current "black list" system, so as to identify those countries which (i) allow for a satisfactory exchange of information; and (ii) do not have a more favourable tax regime.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 20 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes issued by an Italian resident issuer are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes issued by an Italian resident issuer.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by a non-Italian resident issuer are not subject to Italian taxation, provided that the Notes are held outside Italy.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Following the repeal of the Italian transfer tax, as from 31 December 2007, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €168.00; (ii) private deeds are subject to registration tax only in the case of voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.15 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty can be no lower than €34.20 and, as of 2013, it cannot exceed €4,500, for Taxpayers different from individuals.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that Notes are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.15 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

EU Savings Directive

Under EC Council Directive 2003/48/EC (the **Savings Directive**) on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 10 April 2013, the Prime Minister of Luxembourg announced Luxembourg's intention to abolish the withholding tax procedure with effect as of 1 January 2015 in favour of the automatic exchange of information procedure as provided for by the EU Savings Tax Directive.

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

Implementation in Italy of the Savings Directive

Italy has implemented the Savings Directive through Legislative Decree No. 84 of 18 April 2005 (Decree 84). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

TAXATION IN IRELAND

The following is a summary (for Notes issued by UniCredit Ireland, unless otherwise stated) of the current Irish taxation law and practice with regard to the holders of the Notes. It is based on Irish taxation law and the practices of the Revenue Commissioners of Ireland (the ***Revenue Commissioners****) as in force at the date of this Base Prospectus, and which may be subject to change. It does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem, exchange or dispose of the Notes and does not constitute tax or legal advice. Prospective investors should consult with their own professional advisers on the overall tax implications of such ownership.*

Irish withholding tax on interest

In general, withholding tax at the standard rate of income tax (currently 20 per cent.) must be deducted from payments of yearly interest within the charge of Irish tax. This may include payments of interest or premium made by a company that is resident in Ireland for the purposes of Irish tax (**Irish Resident**) such as UniCredit Ireland.

However, there is no requirement to withhold any amount for or on account of Irish income tax from interest arising on Notes where that interest is paid in the ordinary course of a banking business in Ireland, such as that of UniCredit Ireland.

Irish withholding tax on discounts

Irish withholding tax does not apply to discounts realised.

Irish Deposit Interest Retention Tax (DIRT)

Irish licensed banks such as UniCredit Ireland are obliged to withhold DIRT from interest on relevant deposits, which may include the Notes. DIRT applies at a rate of 33 per cent. provided that interest on the relevant deposit is payable annually or at more frequent intervals. There are certain exemptions from the obligation to withhold DIRT:

(a) a Note that is listed on a stock exchange is not a relevant deposit for this purpose and DIRT does not apply;

(b) in relation to unlisted Notes, pursuant to the provisions of section 246A of the Taxes Consolidation Act of Ireland 1997 (**TCA 1997**), UniCredit Ireland will not be required to deduct DIRT from interest paid in respect of Notes where the Notes mature within two years provided the Notes continue to be held in Euroclear, Clearstream International SA, or Depository Trust Company (or any other clearing system recognised for this purpose by the Irish Revenue Commissioners) and which have a minimum denomination of €500,000 or U.S.$500,000 or, in the case of Notes which are denominated in a currency other than euros or US dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of the first publication of this programme);

(c) in addition, the Irish Revenue Commissioners operate a published practice which remains in force and effect as of the date hereof whereby DIRT will not apply to interest on unlisted Notes with a maturity of more than two years provided certain conditions are fulfilled as follows:

  (i) UniCredit Ireland will not sell any Notes to Irish residents and will not offer any Notes in Ireland;

  (ii) each of the Managers, as a matter of contract, undertake to UniCredit Ireland that:

    (A) it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of Notes to persons who are persons to whom the document may otherwise lawfully be issued or passed on;

    (B) it has not offered, sold or delivered and will not offer, sell or deliver any Notes in Ireland or to any person, including any body corporate, resident in Ireland or whose usual place of abode is in Ireland (an Irish Person);

    (C) it has not issued or distributed, and will not issue or distribute or cause to be issued or distributed, in Ireland or to any Irish Person, this Base Prospectus or any other document offering the Notes for subscription or sale; and

    (D) its action in any jurisdiction will comply with the then applicable laws and regulations of the jurisdiction;

  (iii) the Notes are cleared through Euroclear, Clearstream International SA, or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners); and

  (iv) the minimum denomination in which the Notes issue is made will be in denomination of €500,000 or its equivalent (such amount to be determined by reference to the relevant rate of exchange at the date of issuance); and

(d) separately, where a person is the beneficial owner of Notes, is beneficially entitled to the interest thereon, is not an Irish Resident and has provided a declaration of non-Irish residence to UniCredit Ireland in the prescribed form, DIRT will not apply.

Encashment Tax

Notes issued by UniCredit and UniCredit International Luxembourg may be within the charge of Irish encashment tax where interest is paid by an agent in Ireland. Encashment tax may also arise in respect of Notes issued by UniCredit Ireland that constitute quoted Eurobonds, where interest payments are collected or realised by an agent in Ireland on behalf of a Noteholder. A Note will be a quoted Eurobond if it is quoted on a recognised stock exchange and carries a right to interest. Encashment tax will arise at the standard rate of income tax (currently 20 per cent.) unless the person beneficially owning the Note and entitled to the interest thereon is not resident in Ireland, has provided a declaration in the prescribed form and the income is interest not deemed, under the provisions of Irish tax legislation, to be the income of another person that is an Irish resident. Where interest payments are made by or through a paying agent outside Ireland, no encashment tax arises. In the case of Notes issued by UniCredit Ireland that are not quoted Eurobonds, no encashment tax arises.

Irish Income tax

In general, persons who are resident and domiciled in Ireland are liable to Irish taxation on their worldwide income whereas persons who are not resident or ordinarily resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment. Interest on Notes may be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, such income would be technically liable to Irish income tax (and the Universal Social Change (**USC**) where the income is received by an individual) unless an exemption is available.

Exemptions from Irish income tax under Section 198 TCA 1997 include:

(a) where the interest is paid by a company in the ordinary course of its trade or business and the recipient of the interest is a company resident in an EU Member State (other than Ireland) or in a territory with which Ireland has a double taxation agreement where that EU Member State or territory, as the case may be, imposes a tax that generally applies to interest receivable from sources outside that EU Member State or territory, as the case may be, or where the interest paid would be exempted from the charge to income tax under a double taxation agreement that is in effect or, if not yet in effect, that has been signed between Ireland and that EU Member State or territory, as the case may be;

(b) where the interest is paid on a quoted Eurobond and the recipient is:

  (i) a person resident for the purposes of tax in an E.U. member state (other than Ireland) or a territory with which Ireland has a double taxation agreement, and is not resident in Ireland for the purposes of tax;

  (ii) a company under the control, directly or indirectly, of persons who, by virtue of the law of an E.U. member state other than Ireland or a territory with which Ireland has a double taxation agreement, are resident in that E.U. member state or territory and that person or persons are not themselves under the control, whether directly or indirectly, of a person who is not so resident; or

  (iii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75% subsidiary, is substantially and regularly traded on one or more recognised stock exchanges in Ireland or an E.U. member state or territory with which Ireland has a double taxation agreement, or a stock exchange approved by the Minister for Finance of Ireland;

(c) where the interest is paid on a Note and the interest is interest to which section 246A of the TCA 1997 applies (see (b) under Irish Deposit Interest Retention Tax above) and the recipient is:

  (i) a person resident for the purposes of tax in an E.U. member state (other than Ireland) or a territory with which Ireland has a double taxation agreement, and is not resident in Ireland for the purposes of tax;

  (ii) a company under the control, directly or indirectly, of persons who, by virtue of the law of an E.U. member state other than Ireland or a territory with which Ireland has a double taxation agreement, are resident in that E.U. member state or territory and that person or persons are

not themselves under the control, whether directly or indirectly, of a person who is not so resident, or

(iii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75% subsidiary, is substantially and regularly traded on one or more recognised stock exchanges in Ireland or an E.U. member state or territory with which Ireland has a double taxation agreement, or a stock exchange approved by the Minister for Finance of Ireland; or

(d) where discounts arise to a person in respect of securities issued by a company in the ordinary course of trade or business where that person is resident in an EU Member State or in a territory with which Ireland has a double taxation agreement.

For this purpose, residence is determined under the terms of the relevant double taxation agreement, or in the case of a person resident in an EU Member State, the law of that Member State. Separately, Ireland's double taxation agreements may exempt interest from Irish tax when received by a resident of the other territory provided that certain procedural formalities are completed.

Where a liability to Irish income tax arises it has, in the past, been the practice of the Revenue Commissioners (as a consequence of the absence of a collection mechanism rather than adopted policy) not to seek to collect this liability from non-Irish resident persons unless the recipient of the interest has a connection with Ireland. Examples of such a connection would include where the recipient has sought a claim for repayment of Irish tax deducted at source or where they are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of their interest in the Notes. Corporate noteholders who carry on a trade in Ireland through a branch or agency may be liable to Irish corporation tax where the Note is held in connection with the trade.

Capital Gains Tax

A holder of the Notes who is neither resident nor ordinarily resident in Ireland and who does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held will not be liable to capital gains tax on the disposal of the Notes (including redemptions for cash or by way of exchange for shares).

Stamp Duty

No stamp duty will be payable on the issue of the Notes provided that such Notes do not represent a charge or encumbrance on property situated in Ireland. No stamp duty will be payable on the transfer of the Notes by delivery. In the event of a written transfer of Notes no stamp duty is chargeable provided that the Notes:

(a) do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such right;

(b) do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidation;

(c) are issued for a price which is not less than 90 per cent. of their nominal value (thus bonds issued at a discount may not qualify for this exemption); and

(d) do not carry a right to a sum in respect of repayment or interest which is related to certain movements in an index or indices (based wholly or partly and directly or indirectly on stocks or marketable securities) specified in any instrument or other document relating to the Notes.

Capital Acquisitions Tax

A gift or inheritance of the Notes will be within the charge to Irish Capital Acquisitions Tax if at the relevant date:

(a) the disponer (generally the person making the gift or inheritance of the Notes) is resident or ordinarily resident in Ireland; or

(b) the beneficiary is resident or ordinarily resident in Ireland; or

(c) the Notes are regarded as Irish property.

A foreign domiciled person will generally be regarded as resident or ordinarily resident only if that person was resident in Ireland for the five consecutive tax years immediately preceding the year in which the gift or inheritance was taken and that person is either resident or ordinarily resident in Ireland on the relevant date.

The Notes (for so long as they remain in bearer form) will not be regarded as situated in Ireland unless they are physically located in Ireland or, if registered, there is a register of such Notes in Ireland.

Savings Directive

The Savings Directive has been enacted into Irish legislation. Since 1 January 2004, where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence of that beneficial owner. Where such a person makes such a payment to a "residual entity" then that interest payment is a "deemed interest payment" of the "residual entity" for the purpose of this legislation. A "residual entity", in relation to "deemed interest payments", must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the "deemed interest payments".

Residual entity means a person or undertaking established in Ireland or in another Member State or in an "associated territory" to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in the prescribed format for the purposes of this legislation, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 8 5/61 1/EC, or it is such an entity or it is an equivalent entity established in an "associated territory", or it is a legal person (not being an individual) other than certain Finnish or Swedish legal persons that are excluded from the exemption from this definition in the Savings Tax Directive. Procedures relating to the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to residual entities resident in another Member State or an "associated territory" and procedures relating to the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual resident in another Member State or an "associated territory", applies since 1 July 2005. For the purposes of these paragraphs "associated territory" means Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation, Aruba, Netherlands Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Montserrat and Turks and Caicos Islands.

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

TAXATION IN LUXEMBOURG

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

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

Withholding Tax

(a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Savings Laws**), as amended, there is no withholding tax on payments of principal, premium or interest made to nonresident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Savings Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the **Savings Directive**) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Savings Laws would at present be subject to withholding tax of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive. The final form of the measure is still unknown.

(b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Relibi Law**), as amended, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

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

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Tax Residents

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

Withholding tax on ongoing payments and capital gains

Ongoing income received by persons holding the Notes as private assets will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*) and such Disbursing Agent credits or pays out the income. The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). Noteholders subject to church tax may apply in writing for church tax to be levied by way of withholding also. Absent such application, such Noteholders have to include their investment income in their income tax return and will then be assessed to church tax. For German banks, an electronic information system for church withholding tax purposes will apply in relation to investment income received after 31 December 2013, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the Noteholder will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by a private Noteholder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Notes are issued in a currency other than Euro any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of Coupons or interest claims if the Notes have been disposed of separately.

In case of a physical settlement, generally the delivery of the underlying securities may be seen as taxable disposition of the Notes and acquisition of the securities. The current value of the delivered securities at the date of the exchange will be regarded as proceeds from the disposal. However, in case of a physical settlement of certain Notes which fulfil certain legal requirements and grant the relevant Issuer or the private Noteholder the right to opt for physical delivery of underlying securities instead of a money payment, the acquisition costs of the Notes may be regarded as proceeds from the disposal, redemption, repayment or assignment of the Notes and hence as acquisition costs of the underlying securities received by the private Noteholder upon physical settlement; any consideration received by the Noteholders in addition to the underlying securities may be subject to withholding tax. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Notes into the underlying securities does not result in a taxable gain for the private Noteholder. However, withholding tax may then apply to any gain resulting from the disposal, redemption, repayment or assignment of the securities received in exchange for the Notes. In this case, the gain will be the difference between the proceeds from the disposal, redemption, repayment or assignment of the underlying securities and the acquisition costs of the Notes (after deduction of expenses related directly to the disposal, if any).

To the extent the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Savings Directive (e.g. Switzerland or Andorra).

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 9 October 2012 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The same rules should be applicable according to the said tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. Where the Notes provide for instalment payments, such instalment payments shall always qualify as taxable savings income, unless the terms and conditions of the Notes provide explicit information regarding redemption or partial redemption during the term of the Notes and the contractual parties comply with these terms and conditions. It is further stated in the tax decree that, if, in the case of Notes providing for instalment payments, there is no final payment at maturity, the expiry of such Notes shall not be deemed as a sale, with the consequence that any remaining acquisition costs could not be deducted for tax purposes. Similarly, any remaining acquisition costs of Notes providing for instalment payments shall not be tax-deductible if the Notes do not provide for a final payment or are terminated early without a redemption payment because the respective underlying has left the defined corridor or has broken certain barriers (e.g. in knock-out structures).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the private Noteholder via the Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the private Noteholder in the custodial account with the Disbursing Agent.

Private Noteholders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) for all investment income received in a given year. Upon the private Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. The deduction of the actual income related expenses, if any, is excluded. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of a private Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad, the private Noteholder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), the private Noteholder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a private Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of the private Noteholder realised in the same or the following years. Any losses realised upon the disposal of shares in stock corporations received in exchange for the Notes can only be offset against capital gains deriving from the disposal of shares.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective Noteholder will have to report income and related (business) expenses on the

tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Generally the deductibility of capital losses from the Notes which qualify for tax purposes as contracts for difference is limited. These losses may only be applied against profits from other contracts for difference derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from contracts for difference in subsequent years. These limitations generally do not apply to contracts for difference hedging risks from the Noteholder's ordinary business. Further special rules apply to credit institutions, financial services institutions and finance companies within the meaning of the German Banking Act.

In the case of physically settled Notes, that form part of a trade or business, the delivery of the underlying securities would be seen as taxable disposition of the Notes and the corresponding capital gain will be taxable. Special limitations may apply to losses from the disposal of an underlying which is a share in a corporation.

Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (a) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder or (b) the income otherwise constitutes German-source income. In cases (a) and (b) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident upon delivery of the Notes or interest coupons, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note 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 or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

The EU Commission and certain EU Member States (including Germany) are currently intending to introduce the financial transaction tax (as defined below) (presumably on secondary market transactions involving at least one financial intermediary). It is currently proposed that the financial transaction tax should be introduced in the participating EU Member States on 1 January 2014.

Savings Directive

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

TAXATION IN AUSTRIA

The following summary does not purport to be a comprehensive description of all Austrian tax considerations that may be relevant for the decision to acquire, to hold, and to dispose of the Notes and does not constitute legal or tax advice. The summary is based on Austrian tax law and practice and official interpretation currently

in effect, all of which are subject to change. Future legislative, judicial or administrative changes could modify the tax treatment described below and could affect the tax consequences for investors (also with retroactive effect). Prospective investors should consult their own independent advisers as to the implications of their subscribing for, purchasing, holding, exchanging or disposing of the Notes under the laws of the jurisdictions in which they may be subject to tax (especially, but not limited to, the tax consequences relating to Index-Linked Notes, Equity-Linked Notes, Cash-or-Share Notes, Variable Rate Notes, Inverse Floating Rate Notes, Target Redemption Notes, Credit-Linked Notes, Instruments issued at a substantial discount or premium, Zero Coupon Notes, Currency Risk/Dual Currency Notes or Step-up/step-down Notes). The discussion of certain Austrian taxes set forth below is included for information purposes only.

This summary of Austrian tax issues is based on the assumption that the Notes are legally and actually publicly offered. Further this summary assumes that the Notes do not qualify as equity for Austrian tax purposes. The tax consequences may substantially differ if the Notes are qualified as equity instruments or (in particular if issued by a non-Austrian entity) units in a non-Austrian investment fund within the meaning of § 188 of the Austrian Investment Fund Act 2011 (*Investmentfondsgesetz 2011*).

Austrian tax resident individual investors

Interest, capital gains and income from derivatives under the Notes realised by an investor resident in Austria for tax purposes are subject to Austrian income tax generally at a special tax rate of 25%.

If interest is paid by an Austrian paying agent (e.g. an Austrian credit institution or Austrian issuer) withholding tax at a rate of 25% is triggered. In relation to capital gains and income from derivatives withholding tax at a rate of 25% is triggered if the Notes are deposited with an Austrian depository (e.g. an Austrian credit institution or Austrian branch of a non-Austrian credit institution) or if the payments are made by an Austrian paying agent provided the non-Austrian depository is a non-Austrian branch or group company of such Austrian paying agent and processes the payment in cooperation with the Austrian paying agent. In the absence of an Austrian paying agent or depository the investor must include interest, capital gains or income from derivatives in the income tax return and such income is taxed at a rate of 25%. Capital gains and income from derivatives need to be included in the income tax return if realised as business income or employment income. An investor may apply for taxation at the progressive income tax rate. A deduction of expenses that are directly economically connected to income subject to the special tax rate of 25% is generally not allowed.

Also the withdrawal of the Notes from a bank deposit (*Depotentnahme*) and circumstances leading to Austria's loss of taxation right regarding the Notes vis-à-vis other countries, e.g., a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (cf. § 27(6)(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*, ***EStG***)).

A private individual investor holding the Notes as a non-business asset may file an application to offset losses from the Securities in the course of the tax assessment, however, limitations apply pursuant to which capital losses and negative income from derivatives may not be set-off against interest income from savings accounts and similar claims against credit institutions, from participations as a silent partner, income from Austrian or foreign private law foundations and comparable legal estates or other income categories (*Einkunftsarten*). Further, losses from Notes that qualify for the 25% tax rate may not be offset against income from Notes which do not qualify for the 25% tax rate (e.g. securities that were legally or actually not publicly offered).

As of 1 January 2013 an Austrian depository, if any, has to offset losses arising on the deposits of a private individual investor subject to and in accordance with the provisions of § 93(6).

In the case of individual investors holding the Notes as business assets, 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 § 27(3) and (4) of the ***EStG***, 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).

Austrian private foundation

Private foundations pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in § 13(3) and § 13(6) of the Austrian Corporate Income Tax Act

(*Körperschaftsteuergesetz*, ***KStG***) and holding Notes as a non-business asset are subject to interim taxation at a rate of 25% (which is, however, not levied in case the private foundation makes distributions which are, *inter alia*, subject to Austrian withholding tax to beneficiaries) with interest income, income from realised capital gains and income from derivatives (*inter alia*, if the latter are in the form of securities). Under the conditions set forth in § 94(12) EStG no withholding tax is levied.

Austrian tax resident corporate investor

Interest, capital gains and income from derivatives received under the Notes by a corporation subject to unlimited corporate income tax liability in Austria will be subject to Austrian corporate income tax at a rate of 25%. A corporation may file an exemption declaration in order to avoid that Austrian withholding tax is levied. Tax losses may generally be offset against all other income. Tax loss carry forwards are generally possible.

Non-Austrian tax resident investors

Pursuant to § 98 EStG, interest, capital gains and income from derivatives received under the Notes by a non-resident investor for tax purposes are not subject to Austrian (corporate) income tax unless attributable to an Austrian located permanent establishment. An Austrian paying agent or depository may abstain from levying 25% withholding tax under the conditions set forth in § 94 (13) EStG.

Austrian EU-Source Tax Act

Under the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz*, ***EU-QuStG***; implementing Council Directive 2003/48/EC of 3 June 2003), interest paid by an Austrian paying agent to an individual beneficial owner resident in another EU member state (or in certain dependent or associated territories) is subject to EU source tax at a rate of 35%. Interest within the meaning of the EU-QuStG is, among others, interest paid or credited to an account, relating to debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and, in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures.

An exemption from EU source taxation applies, among others, if the beneficial owner of the interest forwards to the Austrian paying agent documentation issued by the tax office where the tax payer is resident, stating (i) the beneficial owner's name, address and tax or other identification number (in the absence of a tax or other identification number the beneficial owner's date and place of birth), (ii) the paying agent's name and address (iii) the beneficial owner's account number (or in the absence of an account number the security identification number). Further, EU source tax is not triggered if interest within the meaning of the EU-QuStG is paid to an institution within the meaning of § 4(2) EU-QuStG resident in another EU Member State and this institution agrees in written form to enter into a simplified information exchange procedure with the Austrian paying agent. Special rules apply to securities the value of which depends directly on the value of a reference underlying. Distinction must be made between securities providing for capital protection to the investor (guaranteed interest is sufficient to constitute a capital protection within the present context) or not (see information of the Austrian Ministry of Finance dated 1 August 2005 for details).

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 tax amounting to 25%, on, inter alia, interest income, dividends 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 assets held by a domiciliary company [*Sitzgesellschaft*]) is tax resident in Austria. For Austrian income tax purposes the withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. 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, 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 entrance tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entrance 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* of financial assets within the meaning of § 27(3) and (4) ***EStG*** (except for participations in corporations) if income from such financial assets is subject to the special tax rate of 25%. 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 Entrance Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may lead to the levying of penalties of up to 10% of the fair market value of the assets transferred.

Further, it should be noted that gratuitous transfers of the Notes may trigger income tax on the level of the transferor pursuant to § 27(6)(1) of the ***EStG***.

The European proposed financial transactions tax (FTT)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

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

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

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom, the United States and Ireland have entered into, and the United States and Italy have initialled an agreement (the **Relevant IGAs**) based largely on the Model 1 IGA.

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

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, the Guarantor, any paying agent and the common depositary or the common safekeeper, given that each of the entities in the payment chain beginning with the Issuer and ending with the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

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

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

SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

TAXATION IN SINGAPORE

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the Monetary Authority of Singapore (MAS) in force as at the date of this Base Prospectus and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes (particularly structured Notes) and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as financial institutions in Singapore holding the Financial Sector Incentive – Standard Tier tax status) may be subject to special rules. Prospective Noteholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject.

It is emphasised that neither any Issuer nor the Guarantor nor any Dealer nor any other persons involved in the Programme accept responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.

The descriptions below are not intended to apply to any Notes issued by, or issued for the purposes of funding, the Singapore Branch of any Issuer.

Interest and Other Payments

If the Dealer or Dealers for more than half of any tranche of Notes issued under the Programme on or before 31 December 2013 are Financial Sector Incentive (Bond Market) Companies (as defined in the Income Tax Act, Chapter 134 of Singapore (**ITA**)) or are financial institutions in Singapore acting substantially through their Singapore-based personnel, that tranche of Notes (**Relevant Notes**) would be "qualifying debt securities" for the purposes of the ITA and, subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, **Specified Income**) from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent.

However, notwithstanding the foregoing:

(a) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than 4 persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and

(b) even though Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, Specified Income from such Relevant Notes derived by:

  (i) any related party of the relevant Issuer; or

  (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the concessionary rate of tax of 10 per cent. as described above.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

break cost means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

prepayment fee means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

redemption premium means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore taxation section have the same meaning as defined in the ITA.

The term related party, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

In the Budget Statement 2013, it was announced that the "qualifying debt securities" incentive will be extended to 31 December 2018 but the extension has not yet been legislated.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39 (**FRS 39**) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 — Financial Instruments: Recognition & Measurement" (the **FRS 39 Circular**). The ITA has since been amended to give effect to the FRS 39 Circular.

Subject to certain "opt out" provisions, taxpayers who are required to comply with FRS 39 for financial reporting purposes are generally required to adopt FRS 39 for Singapore income tax purposes as well.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

HONG KONG TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Prospectus, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

Withholding tax

No withholding tax in Hong Kong is payable on payments of principal or interest with respect to the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the **Inland Revenue Ordinance**) as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a company (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or

(c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a company) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing on or after 22nd June, 1998 to a person other than a financial institution on deposits (denominated in any currency) placed with, *inter alia*, a financial institution in Hong Kong is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to guarantee money borrowed in certain circumstances.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Notes will be subject to profits tax.

Stamp duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

Estate duty

No Hong Kong estate duty is payable in respect of the Notes.

Subscription and Sale and Transfer and Selling Restrictions

"Each Issuer has represented, warranted and undertaken and each Dealer appointed under the Programme will be required to warrant and undertake that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor."

The Dealers have, in the Eleventh Amended and Restated Programme Agreement dated 5 July 2013 (such programme agreement as amended and/or supplemented and/or restated from time to time, the **Programme Agreement**), agreed with the Issuers and (in the case of Guaranteed Notes) the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes"* and *"Terms and Conditions of the Notes*". In the Programme Agreement, the Parent has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, subject to applicable law, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the relevant Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if the Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will have been deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (iii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only: (i) to the relevant Issuer or any affiliate thereof; inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A; outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(d) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(f) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR"); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE RELEVANT ISSUER OR AN AFFILIATE OF THE RELEVANT ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE RELEVANT ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR RESALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER

TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a) (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, 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 THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

(h) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see "*Form of the Notes*".

The IAI Investment Letter will state, among other things, the following:

(i) that the Institutional Accredited Investor has received a copy of the Base Prospectus and such other information as it deems necessary in order to make its investment decision;

(ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Base Prospectus and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;

(iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;

(iv) that the Institutional Accredited Investor is an "institutional accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

(vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$100,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold, or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the same meaning given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Sections 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule

12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issuance of Exempt Notes which are also Index Linked Notes, Credit Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Public Offer Selling Restriction 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**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes 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 prospectus in relation to such Notes 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 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 prospectus or final terms, as applicable and each Issuer has consented in writing to its use for the purpose of that 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 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant 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 Notes referred to in paragraphs (b) to (d) above shall require the relevant Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;

- the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State; and

- the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes issued by UniCredit Ireland and/or UniCredit International Luxembourg which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;

(b) 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA (i) (where the Issuer is UniCredit) would not apply to the Issuer if it was not an authorised person, or (ii) (where the Issuer is UniCredit Ireland or UniCredit International Luxembourg) does not apply to the Issuer and would not apply to the Guarantor if it was not an authorised person; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

As long as the relevant offering of the Notes has not been registered pursuant to Italian securities legislation, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

In any event, any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 as amended (the **Italian Banking Act**); and

(ii) in compliance with Article 129 of the Italian Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or other Italian authority.

Investors should also note that in connection with the subsequent distribution of Notes (with a minimum denomination lower than €100,000 or its equivalent in another currency) in the Republic of Italy, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) or (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the

Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the intermediaries transferring the Notes being liable for any damages suffered by investors.

Ireland

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that:

(a) it has not offered or sold and will not offer or sell any Notes except in conformity with the provisions of the Prospectus Directive and, where applicable, implementing measures in Ireland and the provisions of the Companies Acts 1963 to 2012 of Ireland and every other enactment that is to be read together with any of those Acts;

(b) in respect of Notes issued by UniCredit Ireland which are not listed on a stock exchange and which do not mature within two years its action in any jurisdiction will comply with the then applicable laws and regulations of that jurisdiction, it will not knowingly offer to sell such Notes to an Irish resident, or to persons whose usual place of abode is Ireland, and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Notes. In addition, such Notes must be cleared through Euroclear, Clearstream, Luxembourg, or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners) and have a minimum denomination of €500,000 or its equivalent at the date of issuance;

(c) in respect of Notes issued by UniCredit Ireland which are not listed on a stock exchange and which mature within two years, such Notes must have a minimum denomination of €500,000 or US$500,000 or, in the case of Notes which are denominated in a currency other than euros or US dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of first publication of this Programme). In addition, such Notes must be cleared through Euroclear, Clearstream, Luxembourg or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners);

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

(e) it has complied and will comply with all applicable provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland, as amended, with respect to anything done by it in relation to the Notes or operating in, or otherwise involving, Ireland and is acting under and within the terms of an authorisation to do so for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 and it has complied with any applicable codes of conduct or practice made pursuant to implementing measures in respect of the foregoing Directive in any relevant jurisdiction; and

(f) it has not offered or sold and will not offer or sell any Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

France

Each of the Dealers and each of the Issuers has represented and agreed that:

(a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des Marchés financiers* (**AMF**), on the date of such approval or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval

of the base prospectus all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) Private Placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1, L.533-16 and L.533-20 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and accordingly each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Federal Republic of Germany

The Notes may only be offered in Germany in compliance with the Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other applicable German laws.

Luxembourg

In addition to the cases described in the Public Offer Selling Restriction under the Prospectus Directive in which the Dealers can make an offer of Notes to the public in an EEA Member State (including Luxembourg), the Dealers can also make an offer of Notes to the public in Luxembourg:

(a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;

(b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and

(c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the CSSF as competent authority in Luxembourg in accordance with the Prospectus Directive.

Austria

In addition to the cases described in the Public Offer Selling Restrictions under the Prospectus Directive in which the Notes may be offered to the public in an EEA Member State (including Austria), the Notes may be offered to the public in Austria only:

(i) if the following conditions have been satisfied:

(a) the Base Prospectus, including any supplements but excluding any Final Terms, which has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) (the **FMA**) or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive, has been published at least one Austrian bank working day prior to the commencement of the relevant offer of the Notes to the public; and

(b) the applicable Final Terms for the Notes have been published and filed with the FMA on or prior to the date of commencement of the relevant offer of the Notes to the public; and

(c) a notification with the Oesterreichische Kontrollbank Aktiengesellschaft, all as prescribed by the Capital Market Act 1991 (*Kapitalmarktgesetz 1991*), as amended (the **CMA**), has been filed at least one Austrian bank working day prior to the commencement of the relevant offer of the Notes to the public; or

(ii) otherwise in compliance with the CMA.

For the purposes of this Austrian selling restriction, the expression **an offer of the Notes to the public** means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the **SFA**) and accordingly, the Notes may not be offered or sold, nor may the Notes be the subject of an invitation for subscription or purchase, nor may this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are acquired by persons who are relevant persons specified in Section 276 of the SFA, namely:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275(1A) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2005.

Certain Restrictions applicable to Notes issued in Singapore dollars:

Notes issued in Singapore dollars by a person carrying on a deposit-taking business with a maturity period of less than 12 months and a denomination of less than S$200,000 would be treated as deposits for the purposes of the Banking Act, Chapter 19 of Singapore (the Singapore Banking Act), unless the Notes are issued to certain persons, including either:

(a) an individual whose total net assets exceeds S$2 million (or equivalent in foreign currency) at the time of subscription or whose income in the 12 months preceding the time of subscription exceeds S$300,000 (or equivalent in foreign currency); or

(b) a company whose net assets (as determined by the last audited-balance sheet of the company) exceeds S$10m (or equivalent in foreign currency) at the time of subscription.

In addition, even where Notes issued in Singapore dollars with a denomination of less than S$200,000 are not treated as deposits for the purposes of the Singapore Banking Act, certain additional information is required to be furnished by an issuer which is carrying on a deposit-taking business. In such case, please refer to the relevant Final Terms for such further information.

Hong Kong

Each Dealer has represented and agreed that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**)) other than (a) to "**professional investors**" as defined in the SFO and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under that Ordinance.

People's Republic of China

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (**PRC**) (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

General Information

AUTHORISATION

The establishment of the Programme and, in the case of the Guarantor, the giving of the Guarantee, have been duly authorised by the resolutions of the Board of Directors of UniCredit dated 2 May 2000 and of the Board of Directors of UniCredit Ireland dated 9 November 2000. Entry into the Programme was duly authorised by the resolutions of the Board of Directors of UniCredit International Luxembourg dated 19 May 2011. The update of the Programme, including the giving of the Guarantee, was duly authorised by the resolutions of the Board of Directors of UniCredit dated 19 February 2013, the Programmes Committee of the Directors of UniCredit Ireland dated 21 June 2013 and the Board of Directors of UniCredit International Luxembourg dated 4 June 2012.

APPROVAL, LISTING AND ADMISSION TO TRADING

Application has been made to the CSSF to approve this document as three base prospectuses. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

SELLING CONCESSION OR OTHER CONCESSIONS

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

DOCUMENTS AVAILABLE

For so long as the Notes issued under the Programme will be listed in Luxembourg, copies of the following documents will, when published, be available from the registered office of the relevant Issuer and from the specified office of the Paying Agent for the time being in London:

(a) the memorandum and articles of association (with an English translation where applicable) of each of the Issuers;

(b) the audited consolidated financial statements of UniCredit as at and for the financial years ended 31 December 2012 and 2011 (with an English translation thereof);

(c) the audited non-consolidated financial statements of UniCredit Ireland as at and for the financial year ended 31 December 2012 and audited non-consolidated financial statements of UniCredit Ireland as at and for the financial year ended 31 December 2011;

(d) the audited consolidated financial statements of UniCredit International Luxembourg as at and for the financial years ended 31 December 2012 and 31 December 2011 (with an English translation thereof); and

(e) the latest unaudited consolidated interim accounts of UniCredit (with an English translation thereof).

UniCredit currently prepares audited consolidated and non-consolidated financial statements on an annual basis and unaudited consolidated financial statements on a quarterly and semi-annual basis.

UniCredit Ireland currently prepares audited non-consolidated financial statements on an annual basis and unaudited non-consolidated financial statements on a semi-annual basis.

UniCredit International Luxembourg currently prepares audited consolidated financial statements on an annual basis and does not prepare audited/unaudited consolidated financial statements on a quarterly or semi-annual basis;

(f) the Programme Agreement, the Agency Agreement, the Trust Deed (containing the terms of the Guarantee applicable to the Notes issued by UniCredit Ireland and UniCredit International Luxembourg), the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(g) a copy of this Base Prospectus;

(h) any future prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

CLEARING SYSTEMS

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041, USA.

CONDITIONS FOR DETERMINING PRICE

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

YIELD

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

SIGNIFICANT OR MATERIAL CHANGE

There has been no significant change in the financial or trading position of UniCredit and the Group since 31 March 2013 and there has been no material adverse change in the prospects of UniCredit and the Group since 31 December 2012.

There has been no significant change in the financial or trading position of UniCredit Ireland since 31 December 2012 and there has been no material adverse change in the prospects of UniCredit Ireland since 31 December 2012.

There has been no significant change in the financial or trading position of UniCredit International Luxembourg since 31 December 2012 and there has been no material adverse change in the prospects of UniCredit International Luxembourg since 31 December 2012.

TREND INFORMATION

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the UniCredit's prospects for its current financial year.

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the UniCredit Ireland's prospects for its current financial year.

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the UniCredit International Luxembourg's prospects for its current financial year.

LITIGATION

Except as disclosed in this Base Prospectus from page 229 to page 249 and in Note E to the Consolidated Accounts contained in the UniCredit Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December 2011, which are incorporated by reference in this Base Prospectus, none of the Issuers or the Guarantor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the relevant Issuer or the Guarantor is aware) in the 12 months preceding the date of this document which, according to the information available at present, may have or have had in such period a significant effect on the financial position or profitability of the relevant Issuer, the Guarantor or the Group.

EXTERNAL AUDITORS

Listed companies may not appoint the same auditors for more than nine years. At the annual general shareholders' meeting of UniCredit held on 10 May 2007, KPMG S.p.A. was appointed to act as UniCredit's external auditor until 2012. KPMG S.p.A. succeeded to PricewaterhouseCoopers S.p.A., which had acted as the external auditor for UniCredit, and for its predecessor entity Credito Italiano, for three consecutive three-year terms.

The external auditors of UniCredit who have audited the annual consolidated financial statements for the financial years ended 31 December 2012 and 2011, without qualification, in accordance with generally accepted auditing standards in Italy are KPMG S.p.A., Via Vittor Pisani 25 20124 Milan, Italy.

UniCredit's external auditor KPMG S.p.A. is registered on the roll of chartered accountants held by the Ministry of Justice and in the register of Auditing Firms held by CONSOB.

At the ordinary and extraordinary shareholders' meeting of UniCredit held on 11 May 2012, Deloitte & Touche S.p.A. (**Deloitte**) has been appointed to act as UniCredit's external auditor for the 2013-2021 nine-year period, pursuant to Article 13, paragraph 1, of Legislative Decree no. 39/2010 and to CONSOB Communication 97001574 dated 20 February 1997.

Deloitte & Touche S.p.A., having its registered office in Milan, Via Tortona no. 25, has been entered on the Register of Statutory Auditors held by the Italian Ministry of Economy and Finance (*Registro dei Revisori Legali*) as set out in Article 2 of Legislative Decree n. 39/2010. Deloitte & Touche S.p.A. is also a member of ASSIREVI, the Italian association of auditing firms.

The external auditors have no material interest in UniCredit.

The external auditors of UniCredit Ireland who have audited the annual financial statement for the financial years ended 31 December 2012 and 31 December 2011, and issued their opinions on the financial statements without qualification, in accordance with generally accepted auditing standards in Ireland are KPMG, 1 Harbourmaster Place, Dublin 1, Ireland.

At the annual general shareholders' meeting of UniCredit Ireland held on 6 March 2013, Deloitte & Touche were appointed to act as UniCredit Bank Ireland's external auditor for a period of three years (2013-2015) and

KPMG resigned as external auditors. Deloitte & Touche, Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland are registered auditors with the Institute of Chartered Accountants in Ireland.

The external auditors have no material interest in UniCredit Ireland.

The independent auditors (*réviseur d'entreprises agréé*) of UniCredit International Luxembourg who have audited the annual financial statements as at and for the financial years ended 31 December 2012 and 31 December 2011 without qualification, in accordance with International Standards on Auditing as adopted for Luxembourg by the CSSF together with Luxembourg legislation and the Practice Guidelines (*recommandations professionnelles*) issued by the CSSF and the Institut des réviseurs d'entreprises are KPMG Luxembourg S.à r.l, 9, Allée Scheffer, L-2520 Luxembourg.

The statutory auditors have no material interest in UniCredit International Luxembourg.

KPMG Luxembourg S.à r.l, Cabinet de révision agréé is a member of the *Institut des Réviseurs d'Entreprises*.

The reports of the auditors of the Issuers are included or incorporated in the form and context in which they are included or incorporated, with the consent of the relevant auditors who have authorised the contents of that part of this Base Prospectus.

POST-ISSUANCE INFORMATION

The Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities except if required by any applicable laws and regulations.

DEALERS' INTERESTS

Certain of the Dealers and their affiliates 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 their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Annex 1 - Further Information Related to Index Linked Notes

FURTHER INFORMATION RELATED TO INDEX LINKED NOTES

The Issuers can issue Notes which are linked to an index (**Index Linked Notes**) pursuant to the Programme, where the underlying index is HICP or the Non revised index of Consumer Prices excluding tobacco, measuring the rate of inflation in the European Monetary Union excluding tobacco published by Eurostat (HICP) (**HICP Linked Notes**). The following information provides a clear and comprehensive explanation to prospective investors about how the value of Index Linked Notes is affected by the value of the underlying index.

Index means the EUROSTAT Eurozone HICP (excluding Tobacco) Unrevised Series NSA Index which mirrors the weighted average of the harmonized indices of consumer prices in the Euro-Zone (the HICP), excluding tobacco (non-revised series) published by the Index Sponsor on Bloomberg under "CPTFEMU". The first publication or announcement of a level of the Index for the relevant period or time of valuation of the Index shall be final and conclusive and later revisions to the level for the relevant period or time of valuation will not be used in any calculations. The composition and calculation of the Index by the Index Sponsor might change to reflect the addition of any new member states of the European Union to the Euro-Zone without any effect to the references to the Index in these Terms and Conditions. More detailed information on the Index (including the historical Index values) are available on the following website: http://epp.eurostat.ec.europa.eu and on Bloomberg page: CPTFEMU Index <GO>.

Eurostat Eurozone Harmonised Indices of Consumer Prices excluding Tobacco Unrevised Series Non Seasonal Adjusted

The Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP), as calculated and published by EUROSTAT and the national statistical institutes in accordance with harmonised statistical methods (the **HICP**) is an economic indicator constructed to measure the changes over time in the prices of consumer goods and services acquired by households in the Eurozone. Following the Maastricht Treaty, the HICPs have been used as convergence criteria and the main measure for monitoring price stability by the European Central Bank in the Euro area, as well as for use on international comparison.

HICP is the aggregate of the Member States' individual harmonised index of consumer prices excluding tobacco (**Individual HICP**). Each country first publishes its Individual HICP in conjunction with its consumer price index. Thereafter, Eurostat aggregates the Individual HICPs and publishes an HICP for the Eurozone, as well as a breakdown by item and by country. In any specific year, each country's weight in the HICP for the Eurozone equals the share that such country's final household consumption constitutes within that of the Eurozone as a whole for the year that is prior to that specified year. These weights are re-estimated every year in the January publication of the HICP.

HICP is said to be harmonised because the methodology and nomenclatures for the index of prices are the same for all of the countries in the Eurozone and the European Union. This makes it possible to compare inflation among different Member States of the European Union. Emphasis is placed on the quality and comparability of the various countries' indices.

HICP is calculated as an annual chain-index, which makes it possible to change the weights every year. This also makes it possible to integrate new entrants, as in the case of Greece in January 2001. If a new entrant is integrated in a specific year, it is included in the Eurozone HICP starting from January of that year. The new Member State's weight is included in the annual revaluation of the HICP.

HICP is published every month on Eurostat's internet site, according to a pre-determined official timetable. Publication generally occurs around the 14th – 16th day of the following month. If a revision is made, it is published with the HICP of the following month.

Base Year Change

In Europe, the national statistics institutes change the base year of their price indices every 5 to 10 years. This procedure is necessary to ensure that the index follows changes in the consumption pattern through a new consumer spending nomenclature. The resetting of the base generally accompanies changes in the definition of

household consumption that occur when the national accounting system is modified. Since 2006, the index reference period has been set to 2005 = 100. In order to obtain a common price reference period, too, the weights for each year are "price updated" to December of the previous year.

More information on the HICP, including past and current levels, can be found at: *http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction.*

HICP Linked Notes

A HICP Linked Note is a type of Note where the interest payable and the nominal amount of the Note are both adjusted in line with the HICP. This means that both the interest amounts paid periodically and the principal required to be paid on redemption of the HICP Linked Note are adjusted to take account of changes in the HICP since the specified reference date for calculating the HICP (i.e. the index fixing date, as described below).

To calculate the HICP adjustment, two HICP 'fixing' figures are required – one that relates to the start of the Note's life (the **Base HICP**) and one that relates to the relevant payment date. The real rate of interest offered on HICP Linked Notes (i.e. the rate before taking inflation into account) is fixed when the HICP Linked Notes are issued.

Interest on HICP Linked Notes

The interest amount due on each interest payment date of a HICP Linked Note will be adjusted to take into account the change in inflation between the Base HICP figure and the HICP figure relating to the relevant interest payment date, and is calculated using the following simple formula:

Specified Denomination x Real Rate of Interest x Day Count Fraction x (HICP relating to the relevant interest payment date/ Base HICP)

Redemption of HICP Linked Notes

Assuming that the relevant Issuer is able to pay its debts in full and the HICP Linked Notes are not otherwise redeemed or purchased and cancelled in accordance with the Conditions, HICP Linked Notes will be repaid on their maturity date at their nominal amount, plus/less an additional amount reflecting any increase/decrease in the HICP between the Base HICP figure and the HICP figure relevant to the payment date. The redemption amount is calculated at a specified time prior to the maturity date, unless a maximum or minimum redemption amount is otherwise specified. Where the HICP figure relevant to the payment date is lower than the Base HICP, investors will receive less than the nominal amount of the HICP Linked Notes on the maturity date if no minimum redemption amount is specified, or if the minimum redemption amount is specified at an amount lower than the nominal amount.

The redemption amount due will be calculated as follows, unless a maximum or minimum redemption amount is specified:

Nominal Amount x [HICP figure relating to the maturity date / Base HICP]

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