

## **Final Terms**

dated 23 December 2013

UniCredit Bank AG

Credit Linked Certificates "Basket Italia – Step Up"

(the "**Securities**")

under the

### **Comprehensive Credit Linked Securities Programme**

#### **of UniCredit Bank AG**

#### **and UniCredit Bank Austria AG**

*These final terms (the "**Final Terms**") have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**") in connection with Section 6 para. 3 of the German Securities Prospectus Act, as amended (Wertpapierprospektgesetz, the "**WpPG**"). In order to get the full information the Final Terms are to be read together with the information contained in (a) the base prospectus of UniCredit Bank AG (the "**Issuer**") dated 10 October 2013 for the issuance of Credit Linked Securities (the "**Base Prospectus**"), (b) any supplements to this Base Prospectus according to Section 16 WpPG (the "**Supplements**") and (c) the registration document of UniCredit Bank AG dated 17 May 2013, which is incorporated herein by reference.*

*The Base Prospectus, any Supplements and these Final Terms are available in printed version free of charge at UniCredit Bank AG, Arabellastr. 12, 81925 Munich, Federal Republic of Germany and in addition on the website [www.investimenti.unicredit.it](http://www.investimenti.unicredit.it) or any successor website thereof in accordance with Section 14 WpPG.*

*An issue specific summary is annexed to these Final Terms.*

### **SECTION A – GENERAL INFORMATION:**

#### **Issue date:**

29 January 2014

#### **Issue price:**

The issue price per Security is specified in the "Issue Price" column in Table 1.1 of § 1 of the Product Data.

#### **Selling concession:**

The Issue Price comprises the following commissions: a structuring commission for the Issuer, equal to EUR 8.50 per Security, a placement commission for the Distributor, equal to EUR 27.50 per Security and other charges for the Issuer equal to EUR 9.80 per Security.

In case of disinvestment the day after the Issue Date, the presumable value at which the Securityholders may liquidate the Securities is EUR 934.20 with the same market conditions as on 10 December 2013

**Other commissions:**

Not applicable.

**Issue volume:**

The issue volume of the Series offered under and described in these Final Terms is specified in the "Issue Volume of Series in Units" column in Table 1.1 of § 1 of the Product Data.

The issue volume of the Tranche offered under and described in these Final Terms is specified in the "Issue Volume of Tranche in Units" column in Table 1.1 of § 1 of the Product Data.

**Product Type:**

Basket Credit Linked Fixed-Rate Securities

**Admission to trading and listing on a regulated market or on an unregulated market:**

Application will be made for the Securities to be admitted to trading on EuroTLX<sup>®</sup> within 2 months from the Issue Date. The Issuer (also the "**Market Maker**") undertakes to provide liquidity through bid and offer quotes in accordance with the market making rules of EuroTLX<sup>®</sup>, where the Securities are expected to be listed. The obligations of the Market Maker are regulated by the rules of the markets organized and managed by Euro TLX SIM S.p.A, and the relevant instructions to such rules.

Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between bid and offer quotes not higher than 2%.

**Payment and delivery:**

Delivery against payment

**Terms and conditions of the offer:**

Day of the first public offer: 27 December 2013

The Securities will be offered during a subscription period.

Subscription period: 27 December 2013 – 24 January 2014.

Subscription orders are irrevocable, except for what provided for the "door to door selling", in relation to which the subscription orders will be accepted starting from 27 December 2013 to 17 January 2014, – unless closed in advance and without previous notice – and will be satisfied within the limits of the maximum number of Securities on offer.

A public offer will be made in Italy.

The smallest transferable unit is 1 Security.

The smallest tradable unit is 1 Security.

The Securities will be offered to qualified investors, retail investors and/or institutional investors by way of a public offering.

The public offer may be terminated or withdrawn by the Issuer at any time without giving any reason.

The Issuer is the intermediary responsible for the placement of the Securities ("*Responsabile del Collocamento*"), as defined in article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58 (as subsequently amended and supplemented).

No specific allocation method is established. Subscription requests shall be satisfied by the relevant office in a chronological order and within the limits of the available amount.

#### **Consent to the use of the Base Prospectus:**

The Issuer consents to the use of the Base Prospectus by all financial intermediaries (so-called general consent).

Such consent to use the Base Prospectus is given for the following offer period of the Securities: a period of twelve (12) months after 27 December 2013.

General consent for the subsequent resale or final placement of Securities by the financial intermediaries is given in relation to Italy.

#### **US Selling Restrictions:**

TEFRA C

#### **Interest of Natural and Legal Persons involved in the Issue/Offer:**

Any of the Distributors and their affiliates may be customers of and borrowers from the Issuer and its affiliates. In addition, any of such Distributors and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

The Issuer and the Distributor have a conflict of interest with the Securityholder with regard to the offer of the Securities, due to their respective roles in the issue and offer of the Securities and as they both belong to the same UniCredit Banking Group. In particular, the Issuer is also the arranger and the Calculation Agent of the Securities. Moreover, the Issuer shall also act as the intermediary responsible for the placement of the Securities "*Responsabile del Collocamento*" (as defined by article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58) of the Securities.

With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on the Multilateral Trading Facility Euro TLX<sup>®</sup>; moreover the Multilateral Trading Facility Euro TLX<sup>®</sup> is organized and managed by EuroTLX SIM S.p.A, a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in.

In addition, the Distributor shall receive from the Issuer an implied placement commission comprised in the Issue Price, while the Issuer will receive an implied structuring commission and other charges, as specified in these Final Terms.

## **SECTION B – CONDITIONS**

### **Part A – General Conditions of the Securities**

Type of the Securities:	Certificates
Global Note:	Permanent Global Note
Principal Paying Agent:	UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Federal Republic of Germany
Calculation Agent	UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Federal Republic of Germany
Competent Third Party	not applicable
Clearing System, Custody:	CBF (bridge to Monte Titoli)
Applicable Law	German law
Offered to Austrian consumers	not applicable
Place of Jurisdiction	Munich
Place of Performance	Munich

## PART B – PRODUCT DATA

### § 1

#### Product Data

**Banking Day Financial Centre:** London

**Distributor:** UniCredit S.p.A., with registered office at Via A. Specchi 16, Rome, Italy., will distribute to the clients of its branches branded UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia and corporate branches and districts; UniCredit Private Banking and the network of financial advisors of the aforesaid branches.

**First Interest Payment Date:** 18 July 2014

**Interest Commencement Date:** Issue Date

**Interest End Date:** 18 January 2019

**Interest Rate:** 2.30% p.a. for the first and second Interest Period; 2.50% p.a. for the third and fourth Interest Period; 2.70% p.a. for the fifth and sixth Interest Period; 3.00% p.a. for the seventh and eighth Interest Period; 3.25% p.a. for the ninth and tenth Interest Period;

**Interest Payment Dates:** 18 January and 18 July in each year

**Issue Currency:** Euro ("EUR")

**Issue Date:** 29 January 2014

**Issuing Agent:** Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn

**Principal Amount:** EUR 1,000

**Scheduled Maturity Date:** 18 January 2019

**Website for Notices:** [www.investimenti.unicredit.it](http://www.investimenti.unicredit.it)

**Website of the Issuer:** [www.investimenti.unicredit.it](http://www.investimenti.unicredit.it)

**Table 1.1:**

ISIN	WKN	Reuters	Series Number	Tranche Number	Issue Volume of Series in Units	Issue Volume of Tranche in Units	Principal Amount	Aggregate Principal Amount of Series in Issue Currency	Aggregate Principal Amount of Tranche in Issue Currency	Issue Price
DE000HV8A4F8	HV8A4F	not applicable	CS174	1	50,000 Securities	50,000 Securities	EUR 1,000	EUR 50,000,000	EUR 50,000,000	EUR 1,000

**§ 2**

**Underlying Data**

*(omitted intentionally)*

**§ 3**

**Reference Entity Data**

All Guarantees	Applicable
Conditions to Settlement	An Event Determination Date has occurred.
Credit Event	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Restructuring Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable Multiple Holder Obligation: Applicable
Credit Event Cut-Off Date	20 December 2018
Fallback-Settlement Method	Not Applicable
Fixed Recovery	0 %
Obligation Category	Borrowed Money
Obligation Characteristics	Not Applicable
Reference Entities	

Reference Entity	Reference Obligation		Reference Entity Notional Amount
Assicurazioni Generali S.p.A.	Primary Debtor: Guarantor: Currency: Amount: Maturity Date: Interest Rate: ISIN:	Generali Finance B.V. Assicurazioni Generali S.p.A. EUR EUR 500,000,000 06 May 2015 3.875% XS0218469962	EUR 200.-
Atlantia S.p.A.	Primary Debtor: Guarantor: Currency: Amount: Maturity Date: Interest Rate:	Atlantia S.p.A. not applicable EUR EUR 1,000,000,000 09 June 2024 5.875%	EUR 200.-

	ISIN:	XS0193945655	
Enel S.p.A.	Primary Debtor: Guarantor: Currency: Amount: Maturity Date: Interest Rate: ISIN:	Enel S.p.A. not applicable EUR EUR 1,500,000,000 20 June 2017 5.25% XS0306644344	EUR 200.-
Fiat S.p.A.	Primary Debtor: Guarantor: Currency: Amount: Maturity Date: Interest Rate: ISIN:	Fiat Finance North America, Inc Fiat S.p.A. EUR EUR 1,000,000,000 12 June 2017 5.625% XS0305093311	EUR 200.-
Intesa Sanpaolo S.p.A.	Primary Debtor: Guarantor: Currency: Amount: Maturity Date: Interest Rate: ISIN:	Intesa Sanpaolo S.p.A. not applicable EUR EUR 1,254,400,000 15 June 2017 4.75% XS0304508921	EUR 200.-

Regional City	London
Relevant City	London
Settlement Method	Credit Event Redemption Amount is zero
Specified Currency	Standard Specified Currency
Valuation Obligation Category	Not Applicable
Valuation Obligation Characteristics	Not Applicable



## PART C – SPECIAL CONDITIONS OF THE SECURITIES

(the "Special Conditions")

### Product Type 1: Fixed-Rate Credit Linked Securities

#### Option 1

### § 1

#### Definitions

Unless defined otherwise all capitalized terms are as defined in the General Conditions (Part A).

(1) *Interest Related Definitions:*

**"Aggregate Principal Amount"** means the Aggregate Principal Amount of the series as specified in the "Aggregate Principal Amount of the Series in Issue Currency" column in Table 1.1 in § 1 of the Product Data.

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) (TARGET2) are open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product Data.

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main (CBF), (bridge to Monte Titoli).

**"Day Count Fraction"** means the Day Count Fraction as specified in § 2 (4) of the Special Conditions.

**"First Interest Payment Date"** means the First Interest Payment Date as specified in § 1 of the Product Data.

**"Interest Amount"** means the Interest Amount specified in § 2 (3) of the Special Conditions.

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product Data.

**"Interest End Date"** means the Interest End Date as specified in § 1 of the Product Data.

**"Interest Rate"** means the Interest Rate as specified in § 2 (2) of the Special Conditions.

**"Interest Payment Date"** means each Interest Payment Date as specified in § 1 of the Product Data. Interest Payment Dates are subject to postponements due to Business Day Conventions in accordance with the Terms and Conditions of these Securities.

**"Interest Period"** means the period from the Interest Commencement Date (inclusive) to the first Interest Payment Date (exclusive) and from each Interest Payment Date (inclusive) to the respective

following Interest Payment Date (exclusive). The last Interest Period ends on the Interest End Date (exclusive).

"**Issue Currency**" means the Issue Currency as specified in § 1 of the Product Data.

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

"**Issuing Agent**" means the Issuing Agent as specified in § 1 of the Product Data.

"**Maturity Date**" means the Maturity Date as specified in § 3 of the Special Conditions.

"**Outstanding Principal Amount**" means in respect of each Security, on the Issue Date the Principal Amount, and on any day following the Issue Date, the Principal Amount less all reductions thereto in accordance with § 4 of the Credit Event Conditions, subject to a minimum of zero.

"**Principal Amount**" means the Principal Amount as specified in § 1 of the Product Data.

"**Redemption Amount**" means the Redemption Amount as determined according to § 4 of the Special Conditions.

"**Securityholder**" means the holder of a Security.

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

"**Website for Notices**" means the Website for Notices as specified in § 1 of the Product Data.

"**Website of the Issuer**" means the Website of the Issuer as specified in § 1 of the Product Data.

(2) *Further Definitions:* Not Applicable

## § 2

### Interest

(1) *Interest:* The Securities bear interest on their Outstanding Principal Amount for each Interest Period at the respective Interest Rate.

(2) *Interest Rate:* "**Interest Rate**" means the Interest Rate indicated for the respective Interest Period in § 1 of the Product Data.

(3) *Interest Amount:* The respective "**Interest Amount**" is the product of the Interest Rate, the Outstanding Principal Amount and the Day Count Fraction.

The respective Interest Amount becomes due for payment in the Issue Currency on the relevant Interest Payment Date in accordance with the provisions of § 5 of the Special Conditions.

(4) *Day Count Fraction:* "**Day Count Fraction**" for the purpose of calculating the Interest Amount for an Interest Period means:

the actual number of days in the Interest Period divided by 365 (or, if a portion of that Interest Period falls into a leap year, the total of (A) the actual number of days in the Interest Period that

fall into the leap year divided by 366, and (B) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).

- (5) *Pending Requests and Credit Events:* The consequences of the occurrence of one or more Pending Requests within the meaning of § 1 of the Credit Event Conditions or of a Credit Event within the meaning of § 1 of the Credit Event Conditions for the payment of interest are governed by § 3 of the Credit Event Conditions.

### § 3

#### Redemption; Maturity Date

- (1) The Securities are redeemed by payment of the Redemption Amount in the Issue Currency on the Maturity Date pursuant to the provisions of §§ 4 and 5 of the Special Conditions.

- (2) "**Maturity Date**" shall mean either:

(a) the Settlement Date within the meaning of § 1 of the Credit Event Conditions, which may be before or after the Scheduled Maturity Date (this only applies if the Outstanding Principal Amount is reduced to zero);

or

(b) the Scheduled Maturity Date,

provided that

if the Issuer publishes a Maturity Extension Notice within the meaning of § 1 of the Credit Event Conditions, the Final Maturity Date within the meaning of § 1 of the Credit Event Conditions shall be the Maturity Date.

- (3) *Credit Events:* The consequences of the occurrence of a Credit Event within the meaning of § 1 of the Credit Event Conditions for redemption are governed by § 4 of the Credit Event Conditions.

### § 4

#### Redemption Amount

The Redemption Amount is equal to the Outstanding Principal Amount.

### § 5

#### Payments

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

- (2) *Business Day Convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day, the Securityholders are not entitled to payment until the next following Banking Day.

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Securityholders are not entitled to further interest or other payments in respect of such delay.

- (3) *Manner of payment, discharge:* All payments are made to the Principal Paying Agent. The Principal Paying Agent pays the amounts due to the Clearing System to be credited to the respective accounts of the Depository Banks and to be transferred to the Securityholders. The payment to the Clearing System discharges the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the maturity of that payment (inclusive) and ends on the effective date of payment (inclusive).

**§ 6**

**[omitted intentionally]**

## PART D – CREDIT EVENT CONDITIONS

Product Alternative B

(the "**Credit Event Conditions**")

### § 1

#### Definitions

Unless defined otherwise all capitalized terms are as defined in the General Conditions (Part A) and the Special Conditions (Part C).

- (1) The conditions for a Credit Event are essentially based on provisions published by the *International Swaps and Derivatives Association Inc.* in the "**2003 ISDA Credit Derivatives Definitions**" as supplemented by the "**2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions**".

"**Affected Reference Entity**" has the meaning given to such term in § 3 of the Credit Event Conditions.

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the person.

"**All Guarantees**" means, that all Qualifying Guarantees (including the Qualifying Affiliate Guarantee) are applicable for the definitions of Obligation, Restructuring and Substitute Reference Obligation.

"**Bankruptcy**" means a Reference Entity (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) 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; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) 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 case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) 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 (B) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) 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; (vii) 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (viii) 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 (i) to (vii) above (inclusive).

**"Best Available Information"** means:

- (i) In case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred 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 and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of determining a Successor, or other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of determining a Successor.

Information which is made available more than fourteen calendar days after the legally effective date of the relevant Succession Event shall not constitute Best Available Information.

**"Bond"** means any obligation of a type included in the **Borrowed Money** Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

**"Bond or Loan"** means any obligation that is either a Bond or a 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).

**"Conditions to Settlement"** has the meaning given to such term in § 4 of the Credit Event Conditions.

**"Credit Derivatives Determinations Committee"** means any committee established by ISDA for the purpose of reaching certain Resolutions relating to credit derivative transactions.

**"Credit Event"** has the meaning given to such term in § 2 of the Credit Event Conditions.

**"Credit Event Backstop Date"** means:

- (i) the later of: (A) the Issue Date and (B) the date that is 60 calendar days prior to the Credit Event Resolution Request Date for purposes of any event that constitutes a Credit Event with respect to the relevant Reference Entity or Obligation thereof as determined by Resolution of the relevant Credit Derivatives Determination Committee; or
- (ii) otherwise, the later of (A) the Issue Date and (B) the date that is the earlier of:
  - (A) 80 calendar days prior to the first date on which both the Credit Event Notice and the Notice of Publicly Available

Information are published and effective during the Notice Delivery Period; and

(B) 60 calendar days prior to the Credit Event Resolution Request Date in circumstances where:

1. the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in subparagraphs (i) and (ii) of the definition of "**Credit Event Resolution Request Date**" are satisfied;
2. the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and
3. the Credit Event Notice and the Notice of Publicly Available Information are published and effective not more than twenty-one calendar days after the day on which ISDA announces on its website <http://dc.isda.org> (or any successor website) that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters.

The Credit Event Backstop Date shall not be subject to adjustments in accordance with the business day conventions included in § 5 of the Special Conditions.

**"Credit Event Cut-Off Date"** means the credit event cut-off date as specified in § 3 of the Product Data.

**"Credit Event Date"** means the date as notified by the Issuer in the Credit Event Notice which shall be the date on which a Credit Event has occurred as Resolved by the Credit Derivatives Determinations Committee and published on the website <http://dc.isda.org> or any successor website or as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

**"Credit Event Notice"** means a publication by the Issuer that describes a Credit Event that occurred on or after 12:01 am (London time) on the Credit Event Backstop Date and at or prior to 11:59 pm (London time) on the Extension Date and specifies the Settlement Date as well as the Credit Event Redemption Amount.

A Credit Event Notice must contain a description of the facts relevant to the determination that a Credit Event has occurred and a Notice of Publicly Available Information. 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 forth in § 6 of the General Conditions.

**"Credit Event Redemption Amount"** means an amount equal to zero.

**"Credit Event Resolution Request Date"** means, with respect to a valid notice given to ISDA requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (i) whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity or Obligation thereof; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as announced by ISDA on its website <http://dc.isda.org> (or any successor website), that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which the relevant notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to the Resolutions referred to in (i) and (ii) above (and the Issuer will inform the Securityholders thereof in accordance with § 6 of the General Conditions).

**"DC Credit Event Announcement"** means, with respect to a Reference Entity, a public announcement by ISDA on its website <http://dc.isda.org> that the relevant Credit Derivatives Determinations Committee has Resolved that (A) an event that constitutes a Credit Event has occurred with respect to the 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 with respect to a Reference Entity unless 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.

**"DC Credit Event Announcement Date"** means the day on which a DC Credit Event Announcement occurs.

**"DC No Credit Event Announcement"** means, with respect to a Reference Entity, a public announcement by ISDA on its website <http://dc.isda.org> 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.

**"Default Requirement"** means an amount of USD 10,000,000 or its equivalent in the relevant currency in which the Obligation is denominated at the time of occurrence of the respective Credit Event.

**"Deferred Interest Payment Date"** means (i) the Settlement Date published by the Issuer in the Settlement Notice (or Credit Event Notice, as the case may be) or (ii) the date specified as such in a notice published by the Issuer as soon as reasonably practicable after it determines that the Interest Deferral Condition is no longer fulfilled.

**"Domestic Currency"** means the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to such currency).

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee more than 50 percent owned, directly or indirectly, by the Reference Entity.

**"Due and Payable Amount"** means the amount that is due and payable under (and in accordance with the terms of) a Valuation Obligation on the 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).

**"Event Determination Date"** means the date notified by the Calculation Agent, which shall be determined by the Calculation Agent with respect to a Credit Event as follows:

- (i) Subject to subparagraph (ii), if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the Event Determination Date shall be the



date on which a Credit Event Notice and Notice of Publicly Available Information are published and the notices are effective during either:

- (A) the Notice Delivery Period or
  - (B) the period from, and including, the date on which ISDA (on its website <http://dc.isda.org> or any successor website) announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred to, and including, the date that is twenty-one calendar days thereafter (provided that the Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period.
- (ii) Notwithstanding subparagraph (i), if a DC Credit Event Announcement has occurred, the Event Determination Date shall be the Credit Event Resolution Request Date.

Provided that in the case of subparagraph (ii):

- (1) no Settlement Date has occurred in respect of the Affected Reference Entity on or prior to the DC Credit Event Announcement Date and
  - (2) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been published, 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.
- (iii) No Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred in respect of the Affected Reference Entity, if, or to the extent that prior to the Valuation Date, the Settlement Date or the Maturity Date a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity of Obligation thereof.
- (iv) The Issuer is required to publish the Event Determination Date in accordance with § 6 of the General Conditions.

**"Extension Date"** means the Credit Event Cut-Off Date.

**"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.

**"Final Maturity Date"** means (i) the Settlement Date published by the Issuer in the Settlement Notice or (ii) the date specified as such in a notice published by the Issuer without undue delay, after it determines that the Maturity Deferral Condition is no longer fulfilled.

**"Fixed Recovery"** means the percentage figure as specified in § 3 of the Product Data in respect of the Reference Entities.

**"Governmental Authority"** means any de facto or de jure government (or any agency, instrumentality, ministry or department 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 a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**"Grace Period"** means:

- (i) subject to paragraph (ii) and (iii), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if Grace Period Extension is specified as applicable in § 3 of the Product Data: if a Potential Failure to Pay has occurred on or prior to the Credit Event Cut-Off Date and the applicable grace period cannot, by its terms, expire on or prior to the Credit Event Cut-Off Date, the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days; and
- (iii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Banking Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Banking Days shall be deemed to apply to such Obligation; provided that, if Grace Period Extension is not specified as applicable in § 3 of the Product Data, such deemed Grace Period shall expire not later than on the Credit Event Cut-Off Date.

**"Grace Period Banking Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

**"Interest Deferral Condition"** means in respect of the deferral of an Interest Payment Date, that there are one or more Pending Request(s).

**"ISDA"** means the International Swaps and Derivatives Association, Inc. or any successor thereto.

**"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

**"Maturity Extension Notice"** means a notice suspending the Scheduled Maturity Date as the Maturity Date, which may be published by the Issuer on any day that falls on or prior to the Scheduled Maturity Date if a Maturity Deferral Condition is fulfilled.

**"Maturity Deferral Condition"** means

- (i) there are one or more Pending Request(s); or
- (ii) an Event Determination Date occurred and has not yet been settled..

**"Multiple Holder Obligation"** means an Obligation that

- (i) 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
- (ii) in respect of Obligations other than Bonds 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 (ii) of this definition.

**"Not Domestic Currency"** means any obligation that is payable in any currency other than the Domestic Currency.

**"Not Domestic Issuance"** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

**"Not Domestic Law"** means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (B) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign.

**"Notice Delivery Period"** means the period from and including the Issue Date to and including the Scheduled Maturity Date, provided that if the Issuer publishes a Maturity Extension Notice the Notice Delivery Period shall be extended to but excluding the Final Maturity Date.

**"Notice of Publicly Available Information"** means a publication in accordance with § 6 of the General Conditions by the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. The notice must contain a description of the relevant Publicly Available Information. If a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be regarded a Notice of Publicly Available Information. The Notice of Publicly Available Information shall also be deemed to be given if ISDA (on its website <http://dc.isda.org> or any successor website) announces on or prior to the last day of the Notice Delivery Period that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to the Reference Entity.

**"Notifying Party"** is the Issuer.

**"Not Sovereign Lender"** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation obligations generally referred to as "Paris Club debt".

**"Not Subordinated"** means an obligation that is not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if no Reference Obligation is specified in § 3 of the Product Data, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (i) of the definition of **"Substitute Reference Obligation"** has occurred with respect to all of the Reference Obligations or if:

- (i) a Reference Obligation has been specified;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed 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 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 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; it shall not reflect any change to such ranking in priority of payment after such date.

**"Obligation"** means (i) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in § 3 of the Product Data, as provider of any Qualifying Guarantee) described by the Obligation Category and having the Obligation Characteristics specified in § 3 of the Product Data (but excluding any Excluded Obligation) and (ii) each Reference Obligation, unless specified as an Excluded Obligation.

**"Obligation Category"** means any one of Payment, Borrowed Money, Bond, Loan, Bond or Loan or Reference Obligations Only, as specified in § 3 of the Product Data.

**"Obligation Characteristics"** are not applicable.

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Outstanding Principal Amount"** means in respect of each Security, on the Issue Date the Principal Amount, and on any day following the Issue Date, the Principal Amount less all reductions thereto prior to and including that day in accordance with § 4 of the Credit Event Conditions, subject to a minimum of zero.

**"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**"Payment Requirement"** means USD 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 which has not been Resolved by the relevant Credit Derivatives Determinations Committee.

**"Permitted Currency"** means (i) 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 (ii) the legal tender of any country which, as of the date of such change, is a member of Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. or any successor in the rating business thereof, a rating of Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**"Publicly Available Information"** means:

- (i) information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event Notice has occurred and which (A) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Issuer or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (B) is information received from or published by (1) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (2) a trustee, fiscal agent, administrative agent, clearing agent, or paying agent, facility agent or agent

bank for an Obligation, (C) is information contained in any petition or filing instituting a proceeding described in paragraph (iv) of the definition of "Bankruptcy" against or by a Reference Entity or (D) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

- (ii) In the event that the Issuer is (A) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (B) a holder of such Obligation, the Issuer shall be required to deliver to the Securityholders, in accordance with § 6 of the General Conditions, a certificate signed by a Managing Director (or other substantively equivalent title) of the Issuer, which shall certify the occurrence of a Credit Event with respect to such Obligation.
- (iii) in relation to any information of the type described in paragraph (ii), (iii) and (iv), the Issuer and/or the Calculation Agent may assume that such information has been disclosed to them without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.
- (iv) Publicly Available Information need not state (A) in relation to the definition of "**Downstream Affiliate**", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (B) that such occurrence (1) has met the Payment Requirement or Default Requirement, (2) is the result of exceeding any applicable Grace Period or (3) has met the subjective criteria specified in certain Credit Events.

**"Public Source"** means each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizei Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review, Frankfurter Allgemeine Zeitung, Börsen-Zeitung (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**"Qualifying Guarantee"** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "**Underlying Obligation**") for which another party is the obligor (the "**Underlying Obligor**"). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the delivery of the Underlying Obligation.

**"Reduction Amount"** means with regard to a Credit Event in respect of each Security and each Affected Reference Entity, an amount equal to the Reference Entity Notional Amount of such Affected Reference Entity.

**"Reference Entity"** means each of the entities specified in § 3 of the Product Data, or such other entities specified to be Reference Entities, and any Successor either:

- (i) identified by the Calculation Agent pursuant to the definition of "Successor" or
- (ii) in respect of which ISDA announces on its website <http://dc.isda.org> (or any successor website) that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor.

**"Reference Entity Notional Amount"** means in respect of each Reference Entity the amount specified in § 3 of the Product Data.

**"Reference Obligation"** means, in respect of each Reference Entity:

- (i) the obligation(s), if any, specified as such in § 3 of the Product Data; or
- (ii) each Substitute Reference Obligation for such obligation.

**"Regional City"** means the city as specified in § 3 of the Product Data as Regional City.

**"Relevant City"** means the city as specified in § 3 of the Product Data as Relevant City.

**"Relevant City Business Day"** means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Relevant City and the Regional City.

**"Relevant Obligations"** means any obligations constituting Bonds and Loans of the Reference Entity that are 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 which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes 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 or exist as of the legally effective date of the Succession Event, whether or not this is in fact the case.

**"Request"** means a notice to ISDA delivered in accordance with the rules applicable to the respective Credit Derivatives Determinations Committee requesting the relevant Credit Derivatives Determinations Committee to resolve whether an event that constitutes a Credit Event has occurred with respect to a Reference Entity (or an Obligation thereof).

**"Resolve"** or **"Resolution"** means a determination made by the relevant Credit Derivatives Determinations Committee or deemed to be made by the relevant Credit Derivatives Determinations Committee following a decision of external reviewers.

**"Restructuring"** means:

- (i) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any 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 (x) the Credit Event Backstop Date and (y) the date as of which such Obligation is issued or incurred:

- (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (B) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (C) a postponement or other deferral of a date or dates for either (1) the payment or accrual of interest or (2) the payment of principal or premium;
  - (D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (E) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.
- (ii) Notwithstanding the provisions of (A) above, none of the following shall constitute a Restructuring:
- (A) 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 or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
  - (B) the occurrence of, agreement to or announcement of any of the events described in (A) to (E) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (C) the occurrence of, agreement to or announcement of any of the events described in (A) to (E) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (iii) For purposes of (A) and (B) above and the Definition of **"Multiple Holder Obligation"**, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee. In case of a Qualifying Guarantee (if applicable) and an Underlying Obligation, references to the Reference Entity in (a)(i) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (ii) above shall continue to refer to the Reference Entity.
- (iv) notwithstanding the preceding provisions, the occurrence of, the agreement to or the announcement of any of the events described in (i) (A) to (E) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Securityholder Obligation.

**"Scheduled Maturity Date"** has the meaning given to such term in § 1 of the Product Data.

**"Settlement Date"** means, subject to any applicable Settlement Suspension, the date specified in the Settlement Notice, which is in any case not later than 5 Banking Days following the publication of the Settlement Notice.

**"Settlement Method"** has the meaning given to such term in § 5 of the Credit Event Conditions.

**"Settlement Notice"** means an irrevocable notice published by the Issuer without undue delay, but not later than the 5th Banking Day following the DC Credit Event Announcement Date and specifying the Settlement Date and the Credit Event Redemption Amount. A Settlement Notice shall be subject to the requirements regarding notices set forth in § 6 of the General Conditions.

**"Settlement Suspension"** means, following the determination of an Event Determination Date but prior to the Settlement Date, if ISDA on its website <http://dc.isda.org> (or any successor website) announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve whether and when a Credit Event has occurred with respect to a Reference Entity, the suspension of any settlement and such settlement shall remain suspended until such time as ISDA on its website <http://dc.isda.org> (or any successor website) subsequently announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) that an event that constitutes a Credit Event has occurred with respect to the Reference Entity or (b) not to determine such matters.

**"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in § 3 of the Product Data (or, if Issue Currency is specified in § 3 of the Product Data and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro (and any successor currency to any such currency), which currencies may be specified collectively as the **"Standard Specified Currencies"**).

**"Substitute Reference Obligation"** means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in § 3 of the Product Data, 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:

- (i) In the event that (A) a Reference Obligation is redeemed in whole or (B) (1) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (2) 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 (3) 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 in its reasonable discretion (§ 315 BGB) identify one or more Obligations to replace such Reference Obligation.
- (ii) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (A) ranks pari passu in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (B) preserves the economic equivalent, as closely as practicable, of the obligations of the Issuer under the Securities and (C) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is



specified as applicable in § 3 of the Product Data, 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 or Reference Obligations.

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.

**"Succession Event"** means any of the following events with respect to a Reference Entity which does not qualify as a Sovereign: merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or similar event in which one entity succeeds to the obligations of another entity whether by operation of law or pursuant to any agreement.

Notwithstanding the foregoing, a **"Succession Event"** shall not include an event:

- (i) 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 any similar event, or
- (ii) with respect to which the legally effective date has occurred prior to the Succession Event Backstop Date.

**"Succession Event Backstop Date"** means

- (i) for purposes of any event that constitutes a Succession Event as determined by Resolution of the relevant Credit Derivatives Determinations Committee (available on its website <http://dc.isda.org> or any successor website), the date that is 90 calendar days prior to the Succession Event Resolution Request Date or
- (ii) otherwise, the date that is the earlier of (A) 110 calendar days prior to the date on which the Succession Event Notice is effective and (B) 90 calendar days prior to the Succession Event Resolution Request Date in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in subparagraphs (i) and (ii) of the definition of **"Succession Event Resolution Request Date"** are satisfied, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is published by the Issuer according to § 6 of the General Conditions not more than twenty-one calendar days after the day on which ISDA (on its website <http://dc.isda.org> or any successor website) announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any business day convention.

**"Succession Event Notice"** means a publication by the Issuer that describes a Succession Event that occurred on or after the applicable Succession Event Backstop Date. A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to the definition of **Successor**, and

- (i) whether a Succession Event has occurred, and
- (ii) if relevant, the identity of any Successor(s).

A Succession Event Notice shall be subject to the requirements regarding notices set forth in § 6 of the General Conditions.

**"Succession Event Resolution Request Date"** means in respect of a Reference Entity which does not qualify as a Sovereign, with respect to a notice to ISDA, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (i) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the legally effective date of such event,
- (iii) the date, as announced by ISDA on the website <http://dc.isda.org> (or any successor website thereto), that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"Successor"** means with respect to a Reference Entity which is not a Sovereign, the legal successor or the legal successors of a Reference Entity determined pursuant to the following provisions:

- (i) If one entity directly or indirectly succeeds to 75% or more of the Relevant Obligations of a Reference Entity by way of a Succession Event, then such legal successor shall be the sole Successor.
- (ii) If only one entity directly or indirectly succeeds to more than 25% but less than 75% of the Relevant Obligations of a Reference Entity by way of Succession Event, and not more than 25% of the Relevant Obligations remain with the respective Reference Entity, then the entity that succeeds to more than 25% of the Relevant Obligations will be the sole Successor.
- (iii) If more than one entity each directly or indirectly succeeds to more than 25% of the Relevant Obligations of a Reference Entity by way of a Succession Event, and if not more than 25% of the Relevant Obligations remain with the respective Reference Entity, then the entities that succeed to more than 25% of the Relevant Obligations will each be a Successor.
- (iv) If more than one entity each directly or indirectly succeeds to more than 25% of the Relevant Obligations of a Reference Entity by way of a Succession Event, and nonetheless more than 25% of the Relevant Obligations remains with the Reference Entity, then each such legal entity and the Reference Entity will each be a Successor.
- (v) If one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of a Reference Entity by way of a Succession Event, but not one of such legal entities succeeds to more than 25% of the Relevant Obligations of the respective Reference Entity and the respective Reference Entity continues to exist, then there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event;
- (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% of the Relevant Obligations of the respective Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more legal entities succeed to an equal percentage of

the Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

The Calculation Agent will determine without undue delay (but in any event not earlier than 14 calendar days after the legal effective date of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign, if any, that qualifies as Successor pursuant to the percentage thresholds set out in paragraph (i) to (iv) above or which entity meets the requirements set out in paragraph (vi), provided the Calculation Agent will not make any such determination if, at such time, either (i) ISDA on its website <http://dc.isda.org> (or any successor website thereto) has announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in the definition of "**Successor**", and in sub-clauses (i) and (ii) of the definition of "**Succession Event Resolution Request Date**" are satisfied (until such time, if any, as ISDA subsequently announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (ii) ISDA on its website <http://dc.isda.org> (or any successor website thereto) has announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the aforementioned relevant percentage thresholds have been met, or which legal entity shall pursuant to paragraph (vi) be the Successor, the Calculation Agent shall use as basis, with respect to each Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information. The Issuer shall be required to publish any Succession Event in accordance with § 6 of these Terms and Conditions.

In the event that ISDA (on its website <http://dc.isda.org> (or any successor website thereto) or the Issuer (in accordance with § 6 of these Terms and Conditions) announces, on or following the Issue Date, that one or more successors exist with respect to a Reference Entity, each such successor entity will be treated as a Successor for purposes of the following paragraph.

Where one or more Successors has been identified, the following provisions will apply with effect from the date the Succession Event entered into force and effect in respect of the Securities:

- (i) except in case of (iv) below, each Successor shall be a Reference Entity for the purposes of the Special Conditions;
- (ii) except in case of (iv) below, the Principal Amount of each such Successor shall be equal to the Principal Amount of the Reference Entity to which that Successor relates, divided by the number of Successors (including that original Reference Entity if applicable) to that Reference Entity, provided that if any Successor was a Reference Entity immediately prior to the relevant Succession Event, the Principal Amount determined in accordance with the previous sentence shall be added to the existing Principal Amount of that Reference Entity;
- (iii) if the Securities are linked to a single Reference Entity and there is more than one Successor to that Reference Entity then:
  - (A) the Securities will not redeem in whole upon the occurrence of an Event Determination Date in respect of a Successor but a Credit Event Redemption Amount shall be payable each time an Event Determination Date occurs in respect of a different Successor which shall be calculated in the same way as the Redemption Amount payable upon the occurrence of an Event Determination Date in respect of the original Reference Entity except that the Principal Amount shall be the Principal Amount of the relevant Successor. The Settlement Date for any such Credit Event Redemption Amount shall be determined in accordance with the provisions for determining the Maturity Date

following an Event Determination Date. In addition, if no Event Determination Date occurs with respect to any Successors, the Principal Amount will be due in respect of each such Successor on the Maturity Date. More than one Credit Event Redemption Amount may be payable on the same day in respect of different Successors.

- (B) The amount of interest accruing and payable in respect of the Securities will be reduced with effect from the date on which it would have been reduced upon the occurrence of an Event Determination Date in respect of the original Reference Entity but the balance on which interest is calculated shall only be reduced by the Principal Amount of the Successor in respect of which the relevant Event Determination Date occurred.
- (C) More than one Event Determination Date may occur but not more than one Event Determination Date may occur with respect to a single Successor.

Following the identification of more than one Successor, the provisions of the Special Conditions shall apply to each of the Successors mutandis mutatis.

- (iv) If the Securities are linked to more than one Reference Entity and the Securities are issued on the basis that they will be redeemed in whole on the occurrence of an Event Determination Date in respect of a single Reference Entity, then:
  - (A) if there is more than one Successor to the relevant Reference Entity and such Successors do not include any Reference Entity (other than the original Reference Entity), the Calculation Agent has the right to select one of the Successors (including the original Reference Entity) to be the Reference Entity in place of such Reference Entity and that Successor shall become a Reference Entity under the Securities; or
  - (B) if there is one or more Successors and such Successor or Successors include one or more Reference Entities (other than the original Reference Entity), then (x) each of those Reference Entities (other than the original Reference Entity, if the original Reference Entity is a Successor), shall continue to be Reference Entities; and (y) the Calculation Agent may select a replacement entity (the "**Replacement Entity**") to replace the original Reference Entity,

provided that in exercising its discretion (§ 315 BGB), the Calculation Agent may use any criteria it deems appropriate, including, but not limited to, the sector of industry, the rating, the geographical region and the trading volume in the credit derivatives market of such additional entity. The Calculation Agent shall be required to publish the selection of an Replacement Entity (including the details set out in § 3 of the Product Data in accordance with § 6 of the General Conditions.

Such Replacement Entity shall be deemed to be the sole Successor on and with effect from the date of the Succession Event (if the entity selected was a Successor) or from the date of notification in accordance with § 6 of the General Conditions, in any other case.

**"Underlying Obligation"** has the meaning given to it in the definition of **"Qualifying Guarantee"**.

**"Underlying Obligor"** has the meaning given to such term in the definition of **"Qualifying Guarantee"**.

**"Voting Shares"** means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**(2) Interpretation of Definitions in the context of Credit Events:**

In the event that an Obligation is a Qualifying Guarantee, the following will apply:

For purposes of the application of the Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.

**§ 2**

**Determination of a Credit Event**

(1) Following the occurrence of a Credit Event during the Notice Delivery Period an Event Determination Date shall be determined. The Issuer shall deliver a Credit Event Notice to the Securityholders as soon as practicable and without undue delay in accordance with § 6 of the General Conditions. A Credit Event occurs, if the Calculation Agent determines that a Credit Event has occurred or ISDA announces on its website <http://dc.isda.org> (or any successor website) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred.

(2) **"Credit Event"** means the occurrence of any of the events specified in § 3 of the Product Data.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, any Underlying Obligation;
- (c) 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
- (d) 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.

A Credit Event may only occur from (and including) the Credit Event Backstop Date to (and including) the Credit Event Cut-Off Date.

(3) The Calculation Agent determines whether or not a Credit Event has occurred. The Calculation Agent is under no obligation to investigate or verify whether or not a Credit Event has occurred, may have occurred or is still continuing. Unless it has actual knowledge to the contrary the representatives of the Calculation Agent then currently in charge for such determination may assume that no Credit Event has occurred or is continuing.

If the Calculation Agent determines that a Credit Event has occurred, then it shall notify the Issuer and the Principal Paying without undue delay.

### § 3

#### Effect on Interest Payments

- (1) ***Pro rata interest cease to accrue.*** If the Calculation Agent determines that a Credit Event has occurred or ISDA announces on its website <http://dc.isda.org> (or any successor website thereto) that the relevant Credit Derivatives Determinations Committee has Resolved that an event constitutes a Credit Event with respect to one or more Reference Entities and if the Conditions to Settlement have been satisfied during the Notice Delivery Period (each such Reference Entity, the "**Affected Reference Entity**"), then from and including the calendar day following the relevant Event Determination Date interest will be payable only on the then Outstanding Principal Amount and the Securityholders shall have no right to claim further interest payments with respect to the amount by which the Outstanding Principal Amount has been reduced following the occurrence of a Credit Event. This right will not be reinstated, even if the facts triggering such Credit Events later cease to exist or are remedied.

If a Credit Event occurred with respect to all Reference Entities and if the Conditions to Settlement have been satisfied during the Notice Delivery Period in respect of all Reference Entities, then from and including the calendar day following the latest Event Determination Date no interest will be payable on the Securities and the Securityholders shall have no right to claim any further interest payments. This right will not be reinstated, even if the facts triggering such Credit Events later cease to exist or are remedied.

For the Interest Period ending on the Event Determination Date that results in the Outstanding Principal Amount being reduced to zero, the Interest Payment Date shall be the Maturity Date.

- (2) ***Adjustment of amounts already determined or paid.*** If following the occurrence of a Credit Event and the corresponding determination of an Event Determination Date is due to the operation of the Credit Derivatives Determinations Committee deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date (including a date that is prior to a preceding Interest Payment Date) or (B) not to have occurred in case of a DC No Credit Event Announcement, the Calculation Agent will determine the corresponding adjustment, if any, to reflect any change that may be necessary to the amounts previously calculated and/or paid due to such change in the occurrence of the Event Determination Date and shall notify the Issuer who shall notify the Securityholders as soon as reasonably practicable after such change. Such adjustment, if any, shall (i) be payable by the Issuer in addition to (in case of an adjustment in favour of the Securityholder) or (ii) be set off against or reduce, as applicable, (in case of an adjustment in favour of the Issuer), the payment (if any) of the next following Interest Amount(s). No accrual of interest shall be taken into account when calculating any such adjustment payment. In case of an adjustment in favour of the Issuer, in addition to or in excess of any set-off or reduction, the Securityholders shall not be required to make any additional payments to the Issuer.

- (3) **Deferral of Interest Payments** The Issuer may postpone an Interest Payment Date to the Deferred Interest Payment Date by publishing a notice in accordance with § 6 of the General Conditions, provided that an Interest Deferral Condition is fulfilled. Such notice shall be delivered by the Issuer within 10 calendar days prior to an Interest Payment Date and must contain a description of the relevant Interest Deferral Condition. Interest shall not accrue on the Deferred Interest Amount during the period from the scheduled Interest Payment Date to the Deferred Interest Payment Date.

Any such Interest Deferral shall not entitle any Securityholder to declare its Securities due and payable in accordance with § 6 of the General Conditions.

- (4) **Responsibilities of the Calculation Agent in relation to Interest Payments** The Calculation Agent shall make any determination and calculation provided for in this § 3 and, without undue delay, notify the Issuer who shall notify the Securityholders and the exchanges, on which the Securities are listed, and whose regulations require a notification of the stock exchange, pursuant to § 6 of the General Conditions.

#### § 4

##### Effect on the Redemption Amount

- (1) If the Calculation Agent determines that a Credit Event has occurred or ISDA on its website [www.dc.isda.org](http://www.dc.isda.org) (or any successor website) announces that the relevant Credit Derivatives Determinations Committee has Resolved that an event constitutes a Credit Event with respect to a Reference Entity and if the Conditions to Settlement have been satisfied during the Notice Delivery Period (each such Reference Entity, the "**Affected Reference Entity**"), then, on the day following the Event Determination Date the Outstanding Principal Amount in respect of each Security will be reduced by the Reduction Amount. On the respective Settlement Date, the Issuer shall redeem the Securities in part in an amount equal to the Reduction Amount related to the Affected Reference Entity, by payment in respect of each Security of the Credit Event Redemption Amount related to such Affected Reference Entity to each Securityholder. The Securityholders shall have no further right or claim for payment of principal, interest or other amounts accruing under the Securities against the Issuer in respect of the Reduction Amount.

The **Conditions to Settlement** shall be satisfied by the occurrence of an Event Determination Date, to the extent that such Event Determination Date is not subsequently reversed prior to the Settlement Date or the Maturity Date (whichever is first) (which may particularly occur in case of a DC No Credit Event Announcement). For the avoidance of doubt, the Conditions to Settlement may only be satisfied once in respect of each Reference Entity, including following a Restructuring Credit Event.

- (2) If the Principal Amount in respect of each Security has been reduced pursuant to paragraph 1 above, and subject to the occurrence of further Credit Events and other provisions of these Credit Event Conditions, the Issuer shall redeem the Securities at their Outstanding Principal Amount on the Final Maturity Date, provided that if following the deduction of a Reduction Amount, the Outstanding Principal Amount in respect of each Security is reduced to zero, the Securityholders shall have no claim to redemption against the Issuer, notwithstanding the settlement of the Credit Event(s).

#### § 5

##### Settlement

- (1) The Settlement Method applicable to the Securities is such that the Credit Event Redemption Amount is zero.

- (2) If a Settlement Suspension occurs and is continuing, the Issuer is not obliged to, nor is the Issuer entitled to, take any action in connection with the settlement of the Securities. Once ISDA on its website <http://dc.isda.org> (or any successor website) has announced that the relevant Credit Derivatives Determinations Committee has Resolved (a) whether or when a Credit Event occurred or (b) not to determine such matters, such settlement that has previously been suspended shall resume on the Banking Day following such public announcement by ISDA with the Issuer having the benefit of the full day notwithstanding when the suspension began.

UniCredit Bank AG



## FORM OF WAIVER NOTICE

The form of Waiver Notice is applicable for Securities which shall be admitted to trading on an Italian regulated or unregulated market:

## FORM OF WAIVER OF EXERCISE

-----  
(Name of Securities and ISIN)

To: **UniCredit Bank AG**

Facsimile: + 39 02 49535357

Failure properly to complete this waiver of exercise or to submit a substantially similar form of waiver of exercise shall result in the waiver of exercise being treated as null and void.

### PLEASE USE BLOCK CAPITALS

#### 1. Details of Securityholder(s) of the Securities

Name:

Address:

Facsimile:

Telephone:

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#### 2. Details of Tranche of Securities

The Tranche of Securities to which this waiver of exercise relates:

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#### 3. Waiver of Automatic Exercise

I/We, being the holder of the Securities referred to below forming part of the above Tranche of Securities, hereby waive the automatic exercise of such Securities in accordance with the Conditions thereof.

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#### 4. Number of Securities

The number of Securities is as follows:

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#### 5. Dated

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#### 6. Signed

## SUMMARY

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

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

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

### A. INTRODUCTION AND WARNINGS

A.1	Warning	<p>This Summary should be read as an introduction to the Base Prospectus.</p> <p>The investor should base any decision to invest in the Securities on consideration of the Base Prospectus as a whole.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>UniCredit Bank AG, Kardinal-Faulhaber-Straße 1, 80333 Munich, Federal Republic of Germany, which has assumed responsibility for, as well as any person which has initiated the issue of, this Base Prospectus, may be held liable for the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or it does not provide, when read together with the other parts of the Base Prospectus, all necessary key information.</p>
A.2	<p>Consent to the use of the base prospectus</p> <p>Indication of the offer period</p> <p>Other conditions attached to the consent</p> <p>Provision of Terms and Conditions of the offer by financial intermediary</p>	<p>Subject to the following paragraphs, the Issuer gives its consent to the use of the Base Prospectus during the term of its validity for subsequent resale or final placement of the Securities by financial intermediaries.</p> <p>Resale or final placement of the Securities by financial intermediaries can be made and consent to use the Base Prospectus is given for an offer period of twelve (12) months following the 27 December 2013.</p> <p>Subject to the condition that each financial intermediary complies with the Terms and Conditions of the issue, the applicable Final Terms as well as the applicable selling restrictions, the consent is not subject to any other conditions.</p> <p><b>In the event of an offer being made by a financial intermediary, this financial intermediary will make available information to investors on the terms and conditions of the offer at the time the offer is made.</b></p>

### B. ISSUER

B.1	Legal and commercial name	UniCredit Bank AG (" <b>UniCredit Bank</b> " or " <b>HVB</b> ", and together with its consolidated subsidiaries, the " <b>HVB Group</b> ") is the legal name. HypoVereinsbank is the commercial name.
B.2	Domicile / Legal form /	UniCredit Bank has its registered office at Kardinal-Faulhaber-Straße 1, 80333 Munich, was incorporated in Germany and is registered with the Commercial

	Legislation / Country of incorporation	Register at the Local Court ( <i>Amtsgericht</i> ) in Munich under number HRB 42148, incorporated as a stock corporation under the laws of the Federal Republic of Germany.																																													
B.4b	Known trends affecting the issuer and the industries in which it operates	The global economy and the international financial markets will continue to face a high degree of uncertainty in 2013. The financial markets will continue to be affected by the unresolved sovereign debt crisis in particular. The banking sector still faces significant challenges, from both the overall economic environment and pending regulatory initiatives by banking supervisors. In this environment, HVB Group will continually adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.																																													
B.5	Description of the group and the issuer's position within the group	UniCredit Bank is the parent company of HVB Group. HVB Group holds directly and indirectly equity participations in various companies. UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome (" <b>UniCredit S.p.A.</b> ", and together with its consolidated subsidiaries, " <b>UniCredit</b> ") since November 2005 and hence a major part of UniCredit from that date as a sub-group. UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.																																													
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made.																																													
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. KPMG AG Wirtschaftsprüfungsgesellschaft, the independent auditors (Wirtschaftsprüfer) of UniCredit Bank for the financial years 2011 and 2012 have audited the consolidated financial statements of HVB Group and the unconsolidated financial statements of UniCredit Bank as of and for the years ended 31 December 2011 and 2012 and have issued an unqualified audit opinion thereon.																																													
B.12	Selected historical key financial information	<p><b>Consolidated Financial Highlights as of 31 December 2012*</b></p> <table border="1"> <thead> <tr> <th>Key performance indicators</th> <th>1/1 – 31/12/2012</th> <th>1/1 – 31/12/2011</th> </tr> </thead> <tbody> <tr> <td>Net operating profit</td> <td>€1,807m</td> <td>€1,935m</td> </tr> <tr> <td>Cost-income ratio (based on operating income)</td> <td>58.1%</td> <td>62.1%</td> </tr> <tr> <td>Profit before tax</td> <td>€2,058m</td> <td>€1,615m</td> </tr> <tr> <td>Consolidated profit</td> <td>€1,287m</td> <td>€971m</td> </tr> <tr> <td>Return on equity before tax<sup>1)</sup></td> <td>9.2%</td> <td>7.2%</td> </tr> <tr> <td>Return on equity after tax<sup>1)</sup></td> <td>5.8%</td> <td>4.3%</td> </tr> <tr> <td>Earnings per share</td> <td>€1.55</td> <td>€1.16</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th>Balance sheet figures</th> <th>31/12/2012</th> <th>31/12/2011</th> </tr> <tr> <td>Total assets</td> <td>€348.3bn</td> <td>€372.3bn</td> </tr> <tr> <td>Shareholders' equity</td> <td>€23.3bn</td> <td>€23.3bn</td> </tr> <tr> <td>Leverage ratio<sup>2)</sup></td> <td>15.0x</td> <td>16.0x</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th>Key capital ratios compliant with Basel II</th> <th>31/12/2012</th> <th>31/12/2011</th> </tr> </tbody> </table>	Key performance indicators	1/1 – 31/12/2012	1/1 – 31/12/2011	Net operating profit	€1,807m	€1,935m	Cost-income ratio (based on operating income)	58.1%	62.1%	Profit before tax	€2,058m	€1,615m	Consolidated profit	€1,287m	€971m	Return on equity before tax <sup>1)</sup>	9.2%	7.2%	Return on equity after tax <sup>1)</sup>	5.8%	4.3%	Earnings per share	€1.55	€1.16				Balance sheet figures	31/12/2012	31/12/2011	Total assets	€348.3bn	€372.3bn	Shareholders' equity	€23.3bn	€23.3bn	Leverage ratio <sup>2)</sup>	15.0x	16.0x				Key capital ratios compliant with Basel II	31/12/2012	31/12/2011
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Core capital without hybrid capital (core Tier 1 capital)	€19.1bn	€19.9bn
Core capital (Tier 1 capital)	€19.5bn	€20.6bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€109.8bn	€127.4bn
Core capital ratio without hybrid capital (core Tier 1 ratio) <sup>3)</sup>	17.4%	15.6%
Core capital ratio (Tier 1 ratio) <sup>3)</sup>	17.8%	16.2%

\* Figures shown in this table are audited and taken from the Issuer's Consolidated Annual Report as of 31 December 2012

<sup>1)</sup> Return on equity calculated on the basis of average shareholders' equity according to IFRS.

<sup>2)</sup> Ratio of total assets to shareholders' equity compliant with IFRS.

<sup>3)</sup> Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.

#### Consolidated Financial Highlights as of 30 June 2013\*

Key performance indicators	1/1 – 30/06/201 3	1/1 – 30/06/201 2
Net operating profit	€1,121m	€1,411m
Cost-income ratio (based on operating income)	59.4%	51.5%
Profit before tax	€1,222m	€1,557m
Consolidated profit	€818m	€912m
Return on equity before tax <sup>1)</sup>	11.8%	13.9%
Return on equity after tax <sup>1)</sup>	8.1%	8.3%
Earnings per share	€1.01	€1.11
Balance sheet figures	30/06/201 3	31/12/201 2
Total assets	€319.5bn	€348.3bn
Shareholders' equity	€21.6bn	€23.3bn
Leverage ratio <sup>2)</sup>	14.8x	15.0x
Key capital ratios compliant with Basel II	30/06/201 3	31/12/201 2
Core capital without hybrid capital (core Tier 1 capital)	€19.1bn	€19.1bn
Core capital (Tier 1 capital)	€19.2bn	€19.5bn
Risk-weighted assets (including equivalents for market risk and operational risk)	€100.0bn	€109.8bn

		<table border="1"> <tr> <td>Core capital ratio without hybrid capital (core Tier 1 ratio)<sup>3)</sup></td> <td>19.1%</td> <td>17.4%</td> </tr> <tr> <td>Core capital ratio (Tier 1 ratio)<sup>3)</sup></td> <td>19.2%</td> <td>17.8%</td> </tr> </table> <p>* Figures shown in this table are unaudited and taken from the Issuer's Consolidated Half-yearly Financial Report as of 30 June 2013</p> <p><sup>1)</sup> Return on equity calculated on the basis of average shareholders' equity according to IFRS.</p> <p><sup>2)</sup> Ratio of total assets to shareholders' equity compliant with IFRS.</p> <p><sup>3)</sup> Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p> <p>Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change</p> <p>There has been no material adverse change in the prospects of HVB Group since 31 December 2012.</p> <p>Description of significant change in the financial position subsequent to the period covered by the historical financial information</p> <p>There has been no significant change in the financial position of HVB Group since 30 June 2013.</p>	Core capital ratio without hybrid capital (core Tier 1 ratio) <sup>3)</sup>	19.1%	17.4%	Core capital ratio (Tier 1 ratio) <sup>3)</sup>	19.2%	17.8%
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Core capital ratio (Tier 1 ratio) <sup>3)</sup>	19.2%	17.8%						
B.13	Recent developments	Not applicable. There are no recent events particular to UniCredit Bank which are to a material extent relevant to the evaluation of its solvency.						
B.14	Statement of dependency upon other entities within the group	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.						
B.15	Principal activities	<p>UniCredit Bank offers a comprehensive range of banking and financial products and services to private, corporate and public sector customers and international companies.</p> <p>Its range extends i.a., from mortgage loans, consumer loans and banking services for private customers, business loans and foreign trade financing for corporate customers through to fund products for all asset classes, advisory and brokerage services, securities transactions, liquidity and financial risk management, advisory services for affluent customers and investment banking products for corporate customers.</p>						
B.16	Direct or indirect ownership or control	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.						

## C. SECURITIES

C.1	Type and class of the securities	<p>Basket Credit Linked Fixed-Rate Step – Up Securities</p> <p>Each Tranche of Securities will be issued as debt instruments in the form of notes or certificates (the "<b>Securities</b>").</p> <p>Securities are bearer debt instruments within the meaning of § 793 of the German Civil Code (<i>Bürgerliches Gesetzbuch</i>, "BGB") or the general principles of Austrian securities law, as the case may be.</p> <p>"<b>Principal Amount</b>" is EUR 1,000.</p> <p>The Securities are represented by a Permanent Global Note without interest coupons.</p> <p>The holders of the Securities (the "<b>Securityholders</b>") are not entitled to receive definitive Securities.</p> <table border="1" data-bbox="555 705 1503 801"> <thead> <tr> <th data-bbox="555 705 837 757">Series</th> <th data-bbox="837 705 1152 757">Tranche</th> <th data-bbox="1152 705 1362 757">ISIN</th> <th data-bbox="1362 705 1503 757">WKN</th> </tr> </thead> <tbody> <tr> <td data-bbox="555 757 837 801">CS 174</td> <td data-bbox="837 757 1152 801">1</td> <td data-bbox="1152 757 1362 801">DE000HV8A4F8</td> <td data-bbox="1362 757 1503 801">HV8A4F</td> </tr> </tbody> </table>	Series	Tranche	ISIN	WKN	CS 174	1	DE000HV8A4F8	HV8A4F
Series	Tranche	ISIN	WKN							
CS 174	1	DE000HV8A4F8	HV8A4F							
C.2	Currency of the securities issue	The Securities are issued in Euro (" <b>EUR</b> ") (the " <b>Issue Currency</b> ").								
C.5	Restrictions of any free transferability of the securities	Not applicable. The Securities are freely transferable.								
C.8	Rights attached to the securities, including ranking and limitations to those rights	<p><b>Law governing the Securities</b></p> <p>The form and content of the Securities as well as the rights and obligations of the Issuer and Securityholders are subject to the law of the Federal Republic of Germany.</p> <p><b>Rights associated with the Securities</b></p> <p>Subject to the occurrence of a Credit Event, the Securityholders may demand payment of the Interest Amount (as defined below) on each Interest Payment Date (as defined below) and demand payment of the Redemption Amount on the Scheduled Maturity Date (as defined below).</p> <p>In case a Credit Event occurs, the Securityholders may demand payment of the Credit Event Redemption Amount in respect of the Affected Reference Entity on the Settlement Date and of the Redemption Amount on the Maturity Date.</p> <p>The "<b>Redemption Amount</b>" is equal to the Outstanding Principal Amount .</p> <p>The Securities pay fixed interest rates (as defined below).</p> <p>If a Credit Event occurs relating to a Reference Entity (an "<b>Affected Reference Entity</b>") at any time up to and including the Credit Event Cut-Off Date (subject to any extension in the event that a potential Credit Event exists at the time of Credit Event Cut-Off Date), then (i) the accrual of interest ceases with respect to that portion of the Outstanding Principal Amount attributable to the Affected Reference Entity (the "<b>Reduction Amount</b>"), and (ii) the Outstanding Principal Amount of the Securities is reduced by the Reduction Amount. The Securities are therefore redeemed pro rata on the Settlement Date by payment of the corresponding Credit Event Redemption Amount (which will be zero). The occurrence of further Credit Events with respect to further Reference Entities is reflected in further reductions in the Outstanding Principal Amount equal in each case to the relevant Reduction Amounts.</p> <p>In principle, therefore, the Issuer will pay interest and redeem the Securities on the Scheduled Maturity Date at the Principal Amount only if no Credit Event has occurred in relation to any Reference Entity prior to the Credit Event Cut-Off Date</p>								

	<p>(subject to any extension in the event that a potential Credit Event exists at the time of the Credit Event Cut-Off Date).</p> <p><b>"Credit Event"</b> means the occurrence of any of the following events: Bankruptcy, Failure to Pay or Restructuring.</p> <p><b>"Bankruptcy"</b> means a Reference Entity (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) 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; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) 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 case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) 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 (B) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) 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; (vii) 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (viii) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (vii) above (inclusive).</p> <p><b>"Failure to Pay"</b> 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.</p> <p><b>"Restructuring"</b> means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any 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 (x) the Credit Event Backstop Date and (y) the date as of which such Obligation is issued or incurred:</p> <ul style="list-style-type: none"> <li>(A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;</li> <li>(B) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;</li> <li>(C) a postponement or other deferral of a date or dates for either (1) the payment or accrual of interest or (2) the payment of principal or premium;</li> <li>(D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or</li> <li>(E) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.</li> </ul>
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**Nominal Interest Rate; date from which interest is payable and interest due dates; if the interest rate is not specified, description of the Underlying on which it is based; maturity date and agreement for loan repayment, including repayment method; disclosure of return; representation of obligation holders**

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main, (bridge to Monte Titoli).

**"Day Count Fraction"** means Act/Act (ISDA).

**"First Interest Payment Date"** means 18 July 2014.

**"Interest Commencement Date"** means 29 January 2014.

**"Interest End Date"** means 18 January 2019.

The respective **"Interest Amount"** is calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction.

**"Interest Payment Date"** means the 18<sup>th</sup> January and 18<sup>th</sup> July in each year. The Interest Payment Dates may be subject to postponements.

**"Interest Period"** means the period from the Interest Commencement Date (inclusive) to the first Interest Payment Date (exclusive) and from each Interest Payment Date (inclusive) to the respective following Interest Payment Date (exclusive). The last Interest Period ends on the Interest End Date (exclusive).

**"Interest Rate"** for the respective Interest Period means:

Interest Period	Interest Rate
First and second Interest Period	2.30% p.a.
Third and fourth Interest Period	2.50% p.a.
Fifth and sixth Interest Period	2.70% p.a.
Seventh and eighth Interest Period	3.00% p.a.
Ninth and tenth Interest Period	3.25% p.a.

**"Outstanding Principal Amount"** means the Principal Amount less all reductions thereto pursuant to the Credit Event Conditions.

**"Scheduled Maturity Date"** means 18 January 2019.

**Explanation of the derivative component of the interest payment and how the value of the investment is influenced by the value of the underlying instrument**

Interest payments and redemption are dependent upon whether certain events ("**Credit Events**") have occurred in relation to a Reference Entity.

**Representation of the Securityholders**

Not applicable. There is no representative of the Securityholders.

**Limitation of the rights**

Not applicable. The Issuer does not have the right to call the Securities.

**Status of the Securities**

Liabilities on the basis of the Securities give rise to direct, unconditional and unsecured liabilities on the part of the Issuer and, subject to provisions to the contrary in the legislation, they shall be of at least the same rank as all other unsecured and not lower-ranking liabilities on the part of the Issuer.



C.11	Admission to trading	<p>Application will be made for the Securities to be admitted to trading on EuroTLX<sup>®</sup> within two months from the Issue Date.</p> <p>The Issuer (also the "<b>Market Maker</b>") undertakes to provide liquidity through bid and offer quotes in accordance with the market making rules of EuroTLX<sup>®</sup>, where the Securities are expected to be listed. The obligations of the Market Maker are regulated by the rules of the markets organized and managed by Euro TLX SIM S.p.A, and the relevant instructions to such rules.</p> <p>Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between bid and offer quotes not higher than 2%.</p>
C.15	Effect of the underlying on the value of the securities	<p>The Securities are linked to the creditworthiness of the Reference Entities. The payment of interest and redemption are dependent upon whether certain events ("<b>Credit Events</b>") have occurred in relation to a Reference Entity. Investors should be aware that (i) in certain circumstances they will receive only partial interest payments or no interest payments at all, (ii) the payment of the Redemption Amount or of interest may be made on a different date than expected and (iii) the Redemption Amount may be significantly lower than the purchase price and may even be zero, and investors could therefore lose a significant portion of their capital invested or even suffer a total loss.</p> <p>The probability that a Credit Event will occur in relation to a Reference Entity generally varies because of the financial position and other key figures of the relevant Reference Entity, the general economic situation, the position on certain financial markets and because of political events, developments or tendencies in specific sectors, changes in the applicable interest rates and other factors. Measures taken by the Reference Entities (such as a business combination or a spin-off or the repayment or transfer of Obligations) may have an adverse effect on the value of the Securities. The Reference Entities to which the Securities relate and the terms and conditions of that relationship may change during the term of the Securities.</p> <p>If a Credit Event occurs relating to a Reference Entity (an "<b>Affected Reference Entity</b>") at any time up to and including the Credit Event Cut-Off Date (subject to any extension in the event that a potential Credit Event exists at the time of Credit Event Cut-Off Date), then (i) the accrual of interest ceases with respect to that portion of the Outstanding Principal Amount attributable to the Affected Reference Entity (the "<b>Reduction Amount</b>"), and (ii) the Outstanding Principal Amount of the Securities is reduced by the Reduction Amount. The Securities are therefore redeemed pro rata on the Settlement Date by payment of the corresponding Credit Event Redemption Amount (which will be zero). The occurrence of further Credit Events with respect to further Reference Entities is reflected in further reductions in the Outstanding Principal Amount equal in each case to the relevant Reduction Amounts.</p> <p>In principle, therefore, the Issuer will pay interest and redeem the Securities on the Scheduled Maturity Date at the Principal Amount only if no Credit Event has occurred in relation to any Reference Entity prior to the Credit Event Cut-Off Date (subject to any extension in the event that a potential Credit Event exists at the time of the Credit Event Cut-Off Date).</p>
C.16	Expiration or maturity date of derivative securities / Exercise date or final reference date	<p>Subject to the occurrence of a Credit Event, the Securityholders may demand payment of the Redemption Amount on the Scheduled Maturity Date.</p> <p>In case a Credit Event occurs, the Securityholders may demand payment of the Credit Event Redemption Amount in respect of the Affected Reference Entity on the Settlement Date and of the Redemption Amount on the Maturity Date.</p>
C.17	Settlement procedure of the securities	<p>All payments must be made to UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany (the "<b>Principal Paying Agent</b>"). The Principal Paying Agent pays the amounts due to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Securityholders.</p> <p>The payment to the Clearing System will discharge the Issuer from its obligations</p>

		under the Securities in the amount of such payment. <b>"Clearing System"</b> means Clearstream Banking AG, Frankfurt am Main, (bridge to Monte Titoli).
C.18	Description of how any return on derivative securities takes place	Payment of the Redemption Amount on the Scheduled Maturity Date or of the Credit Event Redemption Amount in respect of the Affected Reference Entity on the Settlement Date and of the Redemption Amount on the Maturity Date.
C.19	Exercise price or final reference price of the underlying	Not applicable. There is no exercise price or final reference price of the underlying. Subject to the occurrence of a Credit Event, the Securities will be redeemed by payment of the Redemption Amount.
C.20	Type of the underlying / Source of information on the underlying	The underlying is the creditworthiness of the Reference Entities The Reference Entities are Assicurazioni Generali S.p.A, Atlantia S.p.A., Enel S.p.A., Fiat S.p.A. and Intesa Sanpaolo S.p.A. and the respective successors. Information in respect to the Reference Entities can be retrieved on the websites: <ul style="list-style-type: none"> <li>- <a href="http://www.generali.com">www.generali.com</a> for specific info about the Reference Entity Assicurazioni Generali S.p.A: <a href="http://www.generali.com/Gruppo-Generali/Investor-Relations/risultati-e-bilanci/ultimi-risultati/">www.generali.com/Gruppo-Generali/Investor-Relations/risultati-e-bilanci/ultimi-risultati/</a></li> <li>- <a href="http://www.atlantia.it">www.atlantia.it</a> for specific info about the Reference Entity Atlantia S.p.A: <a href="http://www.atlantia.it/it/investor-relations/index.html">www.atlantia.it/it/investor-relations/index.html</a></li> <li>- <a href="http://www.enel.it">www.enel.it</a> for specific info about the Reference Entity Enel S.p.A: <a href="http://www.enel.com/it-IT/investors/">www.enel.com/it-IT/investors/</a></li> <li>- <a href="http://www.fiatspa.com">www.fiatspa.com</a> for specific info about the Reference Entity Fiat S.p.A: <a href="http://www.fiatspa.com/en-US/investor_relations/Pages/default.aspx">www.fiatspa.com/en-US/investor_relations/Pages/default.aspx</a></li> <li>- <a href="http://www.group.intesasanpaolo.com">www.group.intesasanpaolo.com</a> for specific info about the Reference Entity Intesa Sanpaolo S.p.A.: <a href="http://www.group.intesasanpaolo.com">www.group.intesasanpaolo.com</a></li> </ul>

#### D. RISKS

D.2	Key information on the key risks that are specific to the Issuer	<p>Issuer risk</p> <p>The Issuer risk is related to the possibility that the Issuer, with reference to its business and profitability is unable to pay the Redemption Amount and/or interests, due to a deterioration in the soundness of assets.</p> <p>Credit Risk</p> <p>(i) Risks connected to an economic slowdown and volatility of the financial markets; (ii) Deteriorating asset valuations resulting from poor market conditions may adversely affect the Issuer's future earnings; (iii) The economic conditions of the geographic markets in which the Issuer and its consolidated subsidiaries ("the <b>Group</b>") operates have had, and may continue to have, adverse effects on the Group's results of operations, business and financial condition; (iv) Non-traditional banking activities expose the Group to additional credit risks; (v) the Group's income can be volatile related to trading activities and fluctuations in interest and exchange rates; (vi) Changes in the German and European regulatory framework could adversely affect the Group's business; (vii) Loan losses may exceed anticipated levels; (viii) Risks related to market implementations; (ix) Systemic risk could adversely affect the Group's business.</p> <p>Market Risk</p> <p>Difficult market situations can add to volatility in the Group's income.</p> <p>Liquidity Risk</p> <p>(i) Risks concerning liquidity could affect the Group's ability to meet its financial obligations as they fall due; (ii) the Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions; (iii) The European sovereign debt crisis</p>
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		<p>has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition; (iv) the Group has significant exposure to weaker Eurozone countries; (v) Disruptions on financial markets potentially impact the liquidity situation of the Group.</p> <p>Operative Risk</p> <p>(i) The Group's risk management strategies and techniques may leave the Group exposed to unidentified or unanticipated risks; (ii) IT risks; (iii) Risks in connection with outsourcing; (iv) Risks arising from fraud in trading; (v) Risks in connection with legal proceedings; (vi) The Group is involved in pending tax proceedings.</p> <p>Strategic Risk</p> <p>(i) Risk from overall economic trends and risk from external market changes; (ii) Risks from the strategic orientation of the Group's business model; (iii) Risks from the consolidation of the banking market; (iv) Competition risk; (v) Uncertainty about macro-economic developments and risks from increasingly stringent regulatory requirements; (vi) The introduction of Basel III may have a material impact on the capital resources and requirements of the Group; (vii) Tax implications – new types of tax to make banks contribute to the cost of the financial crisis; (viii) Risks related to Ratings of the Group; (ix) The regulatory environment for the Group may change; non-compliance with regulatory requirements may result in enforcement measures.</p> <p>Additional Risks</p> <p>(i) Business Risk; (ii) Risks arising from HVB's real estate portfolio; (iii) Risks arising from the Group's shareholdings/financial investments.</p>
D.6	Key information on the key risks that are specific to the securities	<ul style="list-style-type: none"> <li>• Potential conflicts of interest</li> </ul> <p>Conflict of interest risk is related to the possibility that certain functions of the Issuer, distributors or Paying Agents may be adverse to the interests of the Securityholders.</p> <ul style="list-style-type: none"> <li>• Risks related to the market</li> </ul> <p>(i) Risk that no active trading market for the Securities exists; (ii) Risks relating to the offering volume; (iii) Risk relating to the market value of the Securities; (iv) Risk relating to the expansion of the spread between bid and offer prices; (v) Currency risk with respect to the Securities; (vi) Risk relating to hedging transactions.</p> <ul style="list-style-type: none"> <li>• Risks related to the Securities in general</li> </ul> <p>(i) Credit risk of the Issuer; (ii) Possible limitations of the legality of purchase; (iii) Risks arising from financial market turmoils, the German Bank Restructuring Act and other governmental or regulatory interventions; (iv) Risks due to no own independent review and advice of the investor; (v) Risks arising from financing the purchase of the Securities; (vi) Risks arising from transaction costs; (vii) Inflation risk; (viii) Risks arising from transactions to reduce risks; (ix) Taxation risks.</p> <ul style="list-style-type: none"> <li>• Risks related to the Securities in specific cases</li> </ul> <p>(i) Risks with respect to the Reference Entities: the payment of interest and redemption are dependent upon whether certain events ("Credit Events") relating to one or more Reference Entities have occurred and, if this is the case the value of certain specified Obligations of that Reference Entity or, respectively, of those Reference Entities.</p> <p>Investors should be aware that (i) in certain circumstances they will receive no interest payments, (ii) the payment of interest may be made on a different date than expected, (iii) the payment of the Redemption Amount may be made on a different date than expected, and (iv) the Redemption Amount may be significantly lower than the purchase price and investors could therefore lose a significant portion of their capital invested or even suffer a total loss. Since Credit Linked Securities are not capital protected, it is not possible to predict the returns on such Securities at the time of their issue.</p>

		<p>The probability that a Credit Event will occur in relation to a Reference Entity, generally varies because of the financial position and other key figures of the Reference Entity, the general economic situation, the position in the markets in which the Reference Entity operates and because of political events, developments or tendencies in specific sectors, changes in the applicable interest rates and other factors. Potential investors should undertake a thorough examination of the Reference Entities and their own research and analysis with respect to the creditworthiness of the Reference Entities and to the probability of a Credit Event occurring in relation to a Reference Entity. Potential investors in these products should be clear that the Reference Entities and the terms and conditions of this relationship may change or deteriorate during the term of the Securities.</p> <p>(ii) Currency risk; (iii) Risks in relation to adjustment events; (iv) Risk of market disruptions; (v) Risk of regulatory consequences to investors; (vi) Risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (vii) Risks arising from the Issuer's extraordinary call right; (viii) Risks arising from the Issuer's regular call right; (ix) General risks related to interest rates; (x) Risks related to Fixed Rate Securities; (xi) Specific risks related to Fixed Rate Dual Currency Securities; (xii) Risks related to Floater Securities; (xiii) Risks related to Reverse Floater Securities; (xiv) Risks related to Fixed Floater Securities; (xv) Risks related to Range Accrual Securities; (xvii) Specific risks in relation to inflation indices; (xviii) General return risk.</p> <p><b>Investors may lose the value of their entire investment or part of it, as the case may be.</b></p>
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**E. OFFER**

E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	The net proceeds from each issue of Securities will be used by the Issuer for its general corporate purposes.
E.3	Description of the terms and conditions of the offer	<p>Day of the first public offer: 27 December 2013.</p> <p>The Securities will be offered during a subscription period.</p> <p>Subscription period: 27 December 2013 – 24 January 2014 (2 p.m. Munich local time).</p> <p>Subscription orders are irrevocable, except for what provided for the “door to door selling”, in relation to which the subscription orders will be accepted starting from 27 December 2013 to 17 January 2014– unless closed in advance and without previous notice – and will be satisfied within the limits of the maximum number of Securities on offer.</p> <p>A public offer will be made in Italy.</p> <p>The smallest transferable unit is 1 Security.</p> <p>The smallest tradable unit is 1 Security.</p> <p>The Securities will be offered to qualified investors, retail investors and/or institutional investors by way of a public offering.</p> <p>The public offer may be terminated or withdrawn by the Issuer at any time without giving any reason.</p> <p>The Issuer is the intermediary responsible for the placement of the Securities</p>

		<p>("Responsabile del Collocamento"), as defined in article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58 (as subsequently amended and supplemented).</p> <p>No specific allocation method is established. Subscription requests shall be satisfied by the relevant office in a chronological order and within the limits of the available amount.</p>
E.4	Any interest that is material to the issue/offer including conflicting interest	<p>Any of the Distributors and their affiliates may be customers of, and borrowers from the Issuer and its affiliates. In addition, any of such Distributors and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.</p> <p>The Issuer and the Distributor have a conflict of interest with the Securityholder with regard to the offer of the Securities, due to their respective roles in the issue and offer of the Securities and as they both belong to the same UniCredit Banking Group. In particular, the Issuer is also the arranger and the Calculation Agent of the Securities. Moreover, the Issuer shall also act as the intermediary responsible for the placement of the Securities "Responsabile del Collocamento" (as defined by article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58) of the Securities.</p> <p>With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on the Multilateral Trading Facility Euro TLX<sup>®</sup>; moreover the Multilateral Trading Facility Euro TLX<sup>®</sup> is organized and managed by EuroTLX SIM S.p.A, a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in.</p> <p>In addition, the Distributor shall receive from the Issuer an implied placement commission comprised in the Issue Price, while the Issuer will receive an implied structuring commission and other charges, as specified in the Final Terms.</p>
E.7	Estimated expenses charged to the investor by the Issuer or the distributor	<p>Selling Concession: The Issue Price comprises the following commissions: a structuring commission for the Issuer, equal to EUR 8.50 per Security, a placement commission for the Distributor, equal to EUR 27.50 per Security and other charges for the Issuer equal to EUR 9.80 per Security.</p> <p>Other Commissions: Not applicable</p>