PROSPECTUS

UNICREDIT S.p.A.

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

and

UNICREDIT BANK IRELAND p.l.c.

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

unconditionally and irrevocably guaranteed by

UNICREDIT S.p.A.

in the case of Notes issued by UniCredit Bank Ireland p.l.c.

€60,000,000,000
Euro Medium Term Note Programme

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

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

Notes issued under the Programme will have a minimum denomination of €1,000.

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

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

*Applications have been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) in its capacity as competent authority under the laws of Luxembourg, for the approval of this document as two base prospectuses in accordance with article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**) and article 8.4 of the Luxembourg Law dated 10 July, 2005 on prospectuses for securities. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market (as contemplated by Directive 2004/39/EC) and to be listed on the Official List of the Luxembourg Stock Exchange.*

Application may also be made for notification to be given to competent authorities in other Member States of the European Economic Area in order to permit Notes issued under the Programme to be offered to the public and admitted to trading on regulated markets in such other Member States in accordance with the procedures under Article 18 of the Prospectus Directive.

*Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the Official List of the Luxembourg Stock Exchange, will be filed with the CSSF.*

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuers, the Guarantor and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

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

Except with respect to the information set out in this Prospectus under the heading "Book-entry Clearance Systems", each of UniCredit and (insofar as the contents of this Prospectus relate to it) UniCredit Ireland, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or

incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. UniCredit and UniCredit Ireland accept responsibility accordingly.

*The information relating to each of the Depository Trust Company (**DTC**), Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) has been accurately reproduced from information published by each of DTC, Euroclear and Clearstream, Luxembourg respectively. So far as each of UniCredit and UniCredit Ireland is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information misleading.*

The Issuers and the Guarantor may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to this Prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes.

*Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each EEA Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.*

Arranger
UBS INVESTMENT BANK

Co-Arranger
UNICREDIT (HVB)

Dealers
Barclays Capital
BNP PARIBAS
CALYON Crédit Agricole CIB
Credit Suisse
Deutsche Bank
Goldman Sachs International
J.P. Morgan
Merrill Lynch International
Morgan Stanley
The Royal Bank of Scotland
Société Générale Corporate & Investment Banking
UBS Investment Bank
UniCredit (HVB)

The date of this Prospectus is 19 November, 2008.

This document constitutes two base prospectuses: (a) the base prospectus for UniCredit in respect of non-equity securities within the meaning of Article 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April, 2004 (Non-Equity Securities); and (b) the base prospectus for UniCredit Ireland in respect of Non-Equity Securities (together, the *Prospectus*).

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

The previous paragraph should be read in conjunction with the 4th paragraph on page 2 of this Prospectus.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus (and, therefore, acting in association with the relevant Issuer) in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer(s) or Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Copies of the Final Terms will be available from the registered office of the relevant Issuer and the specified office set out below of each of the Paying Agents (as defined below) and on the website of the Luxembourg Stock Exchange, *www.bourse.lu*.

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

Neither the Dealers or any of their respective affiliates nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or by any of their respective affiliates or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or of any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer or any of their respective affiliates or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme.

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

The following sources of information, among others, have been used:

(a) Bank of Italy: data used for UniCredit's internal estimate of the market shares for loans and direct deposits held in Italy; data on the Italian banking market, in particular the number of active bank branches and financial promoters;

(b) Italian association of asset managers (Assogestioni – Associazione del Risparmio Gestito): data used for UniCredit's internal estimates of market shares in mutual funds in Italy;

(c) Italian Banking Association (ABI – Associazione Bancaria Italiana): data used for UniCredit's internal estimates of market shares in direct deposits in Italy.

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

No person is or has been authorised by the Issuers, the Guarantor or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, the Dealers or the Trustee.

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

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

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

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

This Prospectus has been prepared on the basis that, except to the extent subparagraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the relevant Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent subparagraph (ii) above may apply, none of the Issuers, the Guarantor nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuers, the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

This Prospectus has not been submitted for clearance to the *Autorité des marchés financiers*.

U.S. INFORMATION

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

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

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

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

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A

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

Available Information

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuers and the Guarantor have undertaken in a deed poll dated 19 November, 2008 (the **Deed Poll**) to furnish, upon the request of a holder of such Notes or of any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Service of Process and Enforcement of Civil Liabilities

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

All references in this document to **U.S. dollars**, **U.S.$** and **$** refer to the currency of the United States of America and references to **Sterling** and **£** refer to pounds sterling. In addition, references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (the **EC Treaty**), as amended.

Contents

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

General Description of the Programme

Under the Programme, each of the Issuers may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and amended by Part A of the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*" below.

This Prospectus and any supplement will only be valid for listing Notes on the Luxembourg Stock Exchange during the period of 12 months from the date of this Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €60,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the euro equivalent of Notes denominated in another Specified Currency (as defined in the applicable Final Terms) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the euro equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the euro equivalent of Zero Coupon Notes and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

Summary of the Programme

This Summary must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

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

The following summary is qualified in its entirety by the remainder of this Prospectus.

Issuers:	UniCredit S.p.A. (**UniCredit**) UniCredit Bank Ireland p.l.c. (**UniCredit Ireland**) UniCredit is a bank corporation organised and existing under the laws of Italy and is the parent holding company of the UniCredit Group (the **Group**), a full-service financial services group engaged in a wide range of banking, financial and related activities throughout Italy and certain Central and Eastern European countries. Its registered office is at Via A. Specchi 16, 00186, Rome, Italy and has fiscal code and VAT number 00348170101. UniCredit's principal centre of business is at Piazza Cordusio 2, 20123, Milan, Italy, telephone number +39 02 8862 8715 (*Investor Relations*). UniCredit Ireland is a public limited company registered with the Registrar of Companies in Dublin under registration number 240551 and has its registered office at La Touche House, International Financial Services Centre, Dublin 1, Ireland, telephone number +353 1 670 2000. UniCredit Ireland is a fully owned subsidiary of UniCredit and is engaged in the business of banking and the provision of financial services.
Guarantor:	Notes issued by UniCredit Ireland will be guaranteed by UniCredit.
Risk Factors:	There are certain factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below and include risks associated with financial market conditions, the integration of recent acquisitions, the exposure of the Group to credit risks and the Group's expansion into Central and Eastern Europe. Holders of the Notes issued under the Programme are exposed to several risks in relation to the Notes, for example risks of change in currency exchange rates, liquidity risks, risks of early redemption, risks of change in market interest rates, and risks of volatile market price or indexes or underlying assets in the case of Index Linked Notes, and risks of deferral of interest payments having an adverse effect on market price in the case of Subordinated Notes and the fact that the Notes may not be a suitable investment for all investors. The results of the Group are affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Group's customers may default on their loans or other obligations. Interest rate rises may also

	have an impact on the demand for mortgages and other loan products. Fluctuations in interest rates in Europe and in the other markets in which the Group operates influence the Group's performance.
Description:	Euro Medium Term Note Programme
Arranger:	UBS Limited
Co-Arranger:	Bayerische Hypo- und Vereinsbank AG
Dealers:	Barclays Bank PLC Bayerische Hypo- und Vereinsbank AG BNP Paribas CALYON Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc The Royal Bank of Scotland plc Société Générale UBS Limited and any other Dealers appointed from time to time in accordance with the Sixth Amended and Restated Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Prospectus. **Notes issued by UniCredit Ireland having a maturity of less than one year** Notes issued by UniCredit Ireland having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Programme Size:	Up to €60,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Rule 144A Option:	Registered Notes may be freely traded amongst "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) in accordance with Rule 144A.
Institutional Accredited Investor Option:	Registered Notes may be privately placed with Institutional Accredited Investors pursuant to Regulation D and may be traded in accordance with Section 4 of the Securities Act.

Issuing and Principal Paying Agent:	Citibank, N.A., London Branch or such other agent(s) specified in the applicable Final Terms.
Trustee:	Citicorp Trustee Company Limited. The Trustee provides professional trustee services and will act as trustee under the Trust Deed for the benefit of the Noteholders, the Receiptholders and the Couponholders.
Registrar:	Citibank, N.A., London Branch.
Transfer Agents:	Citibank, N.A., London Branch and KBL European Private Bankers S.A.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuers and the relevant Dealer (as indicated in the applicable Final Terms). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Subordinated Notes:	Subordinated Notes issued by UniCredit may be issued as Lower Tier II Subordinated Notes, Upper Tier II Subordinated Notes or Tier III Subordinated Notes. Subordinated Notes issued by UniCredit Ireland may be issued as Lower Tier II Subordinated Notes or Upper Tier II Subordinated Notes.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 6.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or by any laws or regulations applicable to the Issuer or the relevant Specified Currency. Unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by UniCredit, (a) Upper Tier II Subordinated Notes must have a minimum maturity of ten years, (b) Lower Tier II Subordinated Notes must have a minimum maturity of five years and (c) Tier III Subordinated Notes must have a minimum maturity of two years. In the case of Subordinated Notes issued by UniCredit Ireland, unless otherwise permitted by current laws, regulations, directives and/or the Irish Financial Services Regulatory Authority's (**IFSRA**) requirements applicable to the issue of Subordinated Notes, (a) Lower Tier II Subordinated Notes having a stated maturity must have a minimum maturity of at least five years (or, if issued for an indeterminate duration, redemption of such Notes may only occur subject to five years' notice of redemption being given or with IFSRA's consent, which will only be given where the request is made at UniCredit Ireland's initiative and UniCredit Ireland's solvency is not in question) and (b) Upper Tier II Subordinated Notes must be of indeterminate duration.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes may be issued in bearer or registered form as described in "*Form of the Notes*". Notes may not be issued or sold in the United States in bearer form.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuers and the relevant Dealer(s).

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(c) on such other basis as may be agreed between the Issuers and the relevant Dealer.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes, as indicated in the applicable Final Terms.

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

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes: Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuers and the relevant Dealer(s) (as indicated in the applicable Final Terms).

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

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Credit Linked Notes: The amount of principal and/or interest (if any) payable in respect of Credit Linked Notes will be dependent on whether a Credit Event in respect of the Reference Entity has occurred (as indicated in the applicable Final Terms). The Issuer may also issue First-to-Default Credit Linked Notes. The amount of principal and/or interest (if any) payable in respect of First-to– Default Notes will be dependent on whether a Credit Event in respect of two or more Reference Entities has occurred in relation to the first of any such Reference Entities (as indicated in the applicable Final Terms).

Redemption: The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders. The terms of any such redemption, including

notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.

In the case of Upper Tier II Subordinated Notes issued by UniCredit, redemption at maturity may occur only with the prior approval of the Bank of Italy, which will take into account whether UniCredit maintains its minimum capital requirements (*patrimonio di vigilanza*) as set out in Title I, Chapter 2, of the Bank of Italy note n. 263 of 27 December, 2006 (*Nuove disposizioni di vigilanza prudenziale per le banche*) immediately following redemption of such Notes.

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

In the case of Subordinated Notes issued by UniCredit Ireland, (a) Upper Tier II Subordinated Notes (which will have no stated maturity) may only be redeemed on the initiative of UniCredit Ireland and with the prior agreement of IFSRA, (b) Lower Tier II Subordinated Notes having a stated maturity (which must be at least five years) may be redeemed on their Maturity Date or, if of indeterminate duration, may be redeemed where five years' notice of redemption has been given, otherwise Lower Tier II Subordinated Notes may only be redeemed with IFSRA's consent, which will only be given where the request is made at UniCredit Ireland's initiative and UniCredit Ireland's solvency is not in question.

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

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

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by (a) the Republic of Italy, in the case of Notes issued by UniCredit and Guaranteed Notes and (b) Ireland, in the case of Notes issued by UniCredit Ireland, as further described in "*Terms and Conditions of the Notes – Taxation*" and under "*Taxation*".

Absence of Negative Pledge: The terms of the Notes will not contain a negative pledge provision.

Cross Default:	The terms of the Senior Notes will contain a cross default provision as further described in Condition 13.
Status of the Senior Notes and the Guarantee:	Senior Notes, and the obligations of the Guarantor under the Guarantee (if any), will constitute direct, unconditional, unsecured and unsubordinated obligations of the relevant Issuer or the Guarantor, as the case may be, and, in the case of the Senior Notes, will rank *pari passu* among themselves.
Status of the Subordinated Notes and the Guarantee:	Payments in respect of the Subordinated Notes and the obligations of the Guarantor under the Guarantee (if any), will constitute direct, unsecured and subordinated obligations of UniCredit or UniCredit Ireland or the Guarantor, as the case may be, and will rank *pari passu* among themselves, subject to certain special conditions applicable to Upper Tier II Subordinated Notes, Lower Tier II Subordinated Notes and Tier III Subordinated Notes issued by UniCredit or Upper Tier II Subordinated Notes and Lower Tier II Subordinated Notes issued by UniCredit Ireland.
Rating:	The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms.
Listing and admission to trading:	Application has been made to the CSSF to approve this document as two base prospectuses. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes will be governed by, and construed in accordance with, English law save that subordination provisions applicable to Subordinated Notes issued by UniCredit will be governed by, and construed in accordance with, Italian law and Subordinated Notes issued by UniCredit Ireland will be governed by, and construed in accordance with, Irish law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, Japan, the European Economic Area (including the United Kingdom, the Republic of Italy, Ireland, Luxembourg and France) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Risk Factors

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

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

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and neither the Issuers nor the Guarantor represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

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

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

The Group's businesses are subject to risks concerning liquidity which are inherent in its banking operations, and could affect the Group's ability to meet its financial obligations as they fall due or to fulfil commitments to lend. In order to ensure that the Group continues to meet its funding obligations and to maintain or grow its business generally, it relies on customer savings and transmission balances, as well as ongoing access to the wholesale lending markets. The ability of the Group to access wholesale and retail funding sources on favourable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as liquidity constraints, general market conditions and confidence in the Italian banking system.

The current dislocation in the global and Italian capital markets and credit conditions has led to the most severe examination of the banking system's capacity to absorb sudden significant changes in the funding and liquidity environment in recent history, and has had an adverse impact on the wider economy. Individual institutions have faced varying degrees of stress. Should the Group be unable to continue to source a sustainable funding profile which can absorb these sudden shocks, the Group's ability to fund its financial obligations at a competitive cost, or at all, could be adversely impacted.

Risks associated with general economic, financial and other business conditions

The results of the Group are affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Group's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for mortgages and other loan products. Fluctuations in interest rates in Europe and in the other markets in which the Group operates influence its performance.

Risk connected to the U.S. subprime market crisis

UniCredit is not significantly exposed to the U.S. subprime loan market, and the Group's total direct and indirect exposure to U.S. subprime loans at 30 June, 2008 was €67 million on a consolidated level (including U.S. Residential Mortgage Backed Securities (**RMBS's**) and Collateralised Debt Obligations (**CDO's**), which are characterised by the high quality of their underlying assets). Certain companies in the Group also sponsor conduits that issued securities to finance the acquisition of mortgage backed loans, which are included in the Group's consolidated accounts starting from the 2007 financial year: as at 30 June, 2008, the total exposure in relation to these conduits amounted to €5.4 billion.

The Group does not sponsor any SIV's but invests in notes issued by SIV's, therefore, SIV's are not consolidated in the Group's accounts. As at 30 June, 2008, the total exposure of the Group to securities issued by SIV's amounts to €16.4 million.

Although management believes that the Group's overall exposure to the U.S. subprime market is not material, UniCredit may suffer losses as a result of the financial turmoil triggered by the subprime markets crisis. In particular, the lack of liquidity in the credit markets that has characterised the subprime crisis has effectively increased UniCredit's funding costs and prevented UniCredit from syndicating some loans that UniCredit would have syndicated in the former environment. UniCredit's management also expects that the results of the Group investment banking operations will suffer from the downturn in market activity experienced in 2007 and 2008, which may continue

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

The Group is subject to extensive regulation and supervision by the Bank of Italy, the Italian Securities and Exchange Commission (**CONSOB**), the European Central Bank and the European System of Central Banks. The banking laws to which the Group is subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Group must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and the European Union that will affect the Group. Such changes in the regulatory framework, in how such regulations are applied, or the implementation of the New Basel Capital Accord (Basel II) on capital requirements for financial institutions may have a material effect on the Group's business and operations. As the new framework of banking laws and regulations affecting the Group is currently being implemented, the manner in which those laws and related regulations will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Group.

Risks associated with IT systems

The Group's banking activities are dependent on highly sophisticated information technology (IT) systems, which are vulnerable to a number of problems including viruses, hacking and other causes of system failure. These risks and the adverse effects resulting from them may be further aggravated by the complex harmonising and integration of the Group's IT commercial platforms in Germany and Austria, which are expected to be completed in 2009 and 2010, respectively.

Risks associated with the risk management systems

The Group's risk management system and strategies may fail and the Group may suffer unexpected losses from unidentified or incorrectly evaluated market developments, trends or other circumstances. These risks and the adverse effects from them may be further aggravated by the complex integration of the risk management systems of the Group.

The Group will be exposed to credit risks

Through its banking operations the Group will be exposed to the risk that receivables from third parties owing money, securities or other assets to it will not be collected when due and must be written off (in whole or in part) due to the deterioration of such third parties' respective financial standing (counterparty risk). This risk is present in both the traditional on-balance sheet uncollateralised and collateralised lending business and off-balance sheet business, for example when extending credit by means of a bank guarantee. Credit risks have historically been aggravated during periods of economic downturn or stagnation, which are typically characterised by higher rates of insolvencies and defaults. As part of their respective businesses, entities of the Group operate in countries with a generally higher country risk than in their respective home markets (emerging markets). Entities of the Group hold assets located in such countries.

The Group monitors credit quality and manages the specific risk of each counterparty and the overall risk of the respective loan portfolios, and the Group will continue to do so, but there can be no assurance that such monitoring and risk management will suffice to keep the Group's exposure to credit risk at acceptable levels. Any deterioration of the creditworthiness of significant individual customers or counterparties, or of the performance of loans and other receivables, as well as wrong assessments of creditworthiness or country risks may have a material adverse effect on the Group's business, financial condition and results of operations.

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

Many of the business activities of the Group that go beyond the traditional banking business of lending and deposit-taking will expose the Group to additional credit risk. Non-traditional credit risk can, for example, arise from:

(a) entering into derivatives contracts under which counterparties have obligations to make payments to entities of the Group;

(b) executing securities, futures, currency or commodity trades that fail to settle timely due to non delivery by the counterparty or to systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries (including the Group);

(c) owning securities of third parties; and

(d) extending credit through other arrangements.

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

A failure of the Group to fully implement its strategy may have a material adverse effect on the Group's business, financial condition and results of operations

The objective of the Group is to create a new force in European banking with leading positions in its core markets in Italy, Germany, Austria and Central and Eastern Europe as well as a balanced business portfolio and enhanced growth prospects and it has defined a number of strategic goals in order to achieve this objective. There can be no assurance that the Group will be successful in achieving these strategic goals or that achievement thereof is sufficient to accomplish the objectives of the Group. A number of factors, some of which are outside the control of the Group (such as market declines and unfavourable macroeconomic conditions in the Group's core markets), the failure to establish clear governance rules within the Group and to align the strategies of the Group's entities with the strategy of the Group as a whole, as well as the failure to integrate the businesses of the Group, could result in an inability to implement some or all of the Group's strategic goals or to fully realise expected synergies, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks associated with the integration of recent acquisitions

During the period from 2005 to 2007, UniCredit concluded or negotiated a number of acquisition agreements, including significant acquisitions in Italy, Germany and Central and Eastern European countries. The integration of these acquisitions has involved and will involve integration challenges, particularly where management information and accounting systems differ materially from those used elsewhere in the Group. Although management believes it has the resources needed to successfully integrate these operations, it is possible that further integration difficulties could arise or that unanticipated problems could be discovered in one or more of the acquired entities. If the Group were to conclude further significant acquisitions in the near future, these risks would be enhanced.

The current structure of the Group has been significantly influenced by the acquisition by UniCredit of HVB in 2005 and of the business combination with the banking group formerly headed by Capitalia S.p.A. (the **former Capitalia Group**) in 2007. A key part of UniCredit's strategy is to use the synergies from the terms of the aggregation with HVB and the former Capitalia Group to strengthen its competitive position in the markets in which the Group operates. While the integration of the former Capitalia Group has been completed, the integration of HVB is in a phase of advanced implementation. The Group's IT commercial platforms in Germany and Austria are expected to be completed respectively in 2009 and 2010 and it is possible that difficulties relating to such completion could arise.

The Group's further expansion in Central and Eastern Europe poses challenges

An important element of the Group's strategy is to expand and develop its business in Central and Eastern Europe. The countries of Central and Eastern Europe have undergone rapid political, economic and social change since the end of the 1980s, and this process was accelerated by the accession to the European Union in May 2004 of many of the Central and Eastern European countries in which companies of the Group operate. Economic growth in Central and Eastern Europe may slow in coming years due to European Union legal, fiscal

and monetary policies, which may limit a country's ability to respond to local economic circumstances. Moreover, a delay in, or the disruption of, the accession process with regard to the Central and Eastern European countries that have not yet joined the European Union (Croatia and Turkey) may have material adverse consequences for the economies of these countries and the Group's business in these countries.

In addition, UniCredit expects that competitive pressures in Central and Eastern Europe will increase, as banking groups already active in the banking markets will seek to expand their presence, and new entrants may also move into these markets.

Risks associated with exposure to Central and Eastern European countries

Management believes that there are significant potential opportunities for the Group in Central and Eastern European countries. While management believes there are opportunities for the Group to attract significant additional higher margin business from its business activities in these countries at what management considers to be an attractive cost, there are also significant risks associated with doing business in those countries. There are significant differences in the nature of the risks from one country to another, but they generally include comparatively volatile economic, political, foreign exchange and stock market conditions, as well as, in many cases, less developed political, financial and legal infrastructures. There can be no assurance that the Group's financial condition or results of operations will not be materially or adversely affected as a result of one or more of these risks.

Any further deterioration of economic and market conditions in Central and Eastern Europe may increase the counterparty credit risk associated with this region. The Group closely monitors economic and market conditions in Central and Eastern Europe and will continue to do so.

Fluctuations in interest rates may affect the Group's results

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

In particular, lending and deposits activities are strictly dependent on the interest rate risk hedging policies of the Group; in particular the correlation between changes in the interest rates in the reference markets and those in the interest margin. Although UniCredit carries out strategic hedges with the aim of minimising the risk of interest rate fluctuations via entering into derivative contracts, such hedging strategies could be inadequate. As a result, a mismatch between the interest income realised by the Group and the interest expenses due to them, following the movement in interest rates, could significantly affect the financial position and operating results of the Group.

Continued economic sluggishness and weak financial markets and volatility can materially adversely affect the Group's revenues and profits

The results of the Group are affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Group's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Group's borrowers and counterparties can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

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

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

The banking and financial services market in which the Group operates is affected by several unpredictable factors, including overall economic developments, fiscal and monetary policies, liquidity and expectations within capital markets and consumers' behaviour in terms of investment and saving. Considering traditional lending operations, in particular the demand for financial products could lessen during periods of economic downturn.

Overall economic development can furthermore negatively impact the solvency of mortgage debtors and other borrowers of UniCredit and the Group such as to affect their overall financial condition. Such developments could negatively affect the recovery of loans and amounts due by counterparties of the Group companies, which, together with an increase in the level of insolvent clients compared to outstanding loans and obligations, will impact on the levels of credit risk. The Group is exposed to potential losses linked to such credit risk, in connection with the granting of financing, commitments, credit letters, derivative instruments, currency transactions and other kinds of transactions. This credit risk derives from the potential inability or refusal by customers to honour their contractual obligations under these transactions. As at 31 December, 2007, the total exposure of Group companies to non-institutional clients in relation to derivative transactions amounted to €1,245 million (€1,014 million for UniCredit Corporate Banking, formerly UniCredit Banca d'Impresa, and €231 million for banks belonging to the Capitalia Group).

The above factors could have a significant impact also in terms of capital market volatility. As a result, volumes, revenues and net profits in banking and financial services business could vary significantly over time.

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

Competition is intense in all of the Group's primary business areas in Italy, Germany, Austria and Central and Eastern Europe and in the other countries in which the Group conducts its business. The Group derives a substantial part of its total banking income from its banking activities in Italy, a mature market where competitive pressures have been increasing quickly. If the Group is unable to continue to respond to the competitive environment in Italy with attractive product and service offerings that are profitable for the Group, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the Italian economy could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for which to compete.

The Group's risk management policies may fail to provide adequate protection

The Group classifies the risk elements in its Italian loan portfolio in accordance with the appropriate requirements of the Bank of Italy and of Italian law, which may not be as strict as the corresponding requirements in certain other countries. The Group has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risks, including risks that the Group fails to identify or anticipate. If existing or potential customers believe that the Group's risk management policies and procedures are inadequate, the Group's reputation as well as its revenues and profits may be negatively affected.

The Group, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunications systems. The Group's systems and processes are designed to ensure that the operational risks associated with the Group's activities are appropriately monitored. A malfunction or defect in these systems, however, could adversely affect the Group's financial performance and business activities.

Ratings

UniCredit is rated by Fitch Ratings Limited (**Fitch**), by Moody's Investors Service Limited (**Moody's**) and by Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies Inc. (**Standard & Poor's**).

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

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

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Risks in connection with legal proceedings

The Group is subject to certain claims and is a party to some legal and other proceedings relating to the normal course of its business. They are all separate actions in the ordinary course of business that have been duly analysed by UniCredit and the Group companies concerned, where as appropriate or necessary, to effect provisions in the amount believed suitable according to the circumstances or to make a mention thereof in a supplementary note to the balance sheet, in accordance with the appropriate standard of accounting principles. In particular, as at 30 June, 2008, the Group had made provisions for approximately €1,606 million to cover the risk and charges associated with such lawsuits and revocatory actions (excluding employment, tax and credit recovery lawsuits) by the Group, which are described further in the consolidated interim financial statements of the Group as at and for the six months ended 30 June, 2008 incorporated by reference herein.

The unfavourable outcome of such lawsuits might, however, result in a negative effect on the economic and financial situation of the Group and of companies which are themselves the subject of the proceedings, even though at the present moment it is not foreseen that such negative outcomes will significantly effect their activities or solvency.

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

The Notes may not be a suitable investment for all investors

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

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

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

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

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

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

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

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

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

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

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

Index Linked Notes and Dual Currency Notes

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

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

(b) they may receive no interest;

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

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

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

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

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

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

Credit Linked Notes

Credit Linked Notes differ from ordinary debt securities in that the amount of principal and/or interest payable by the relevant Issuer is dependent on whether a Credit Event has occurred and that payments upon redemption (whether at maturity or earlier) may be linked to the value of the Reference Obligation(s) including, if applicable, the value of any related underlying hedging arrangements (which may include interest rate or cross-currency swaps) and that this may be less than the full amount of investors' initial investment and result in investors not receiving repayment of all or any of their initial investment in Credit Linked Notes. Accordingly, the Noteholders will be exposed to the credit of the Reference Entities to the full extent of their investment in the Notes. The Issuer may issue Credit Linked Notes including First-to-Default Credit Linked Notes, the latter linked to the performance of two or more Reference Entities where the Issuer's obligation to pay principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Item(s) and/or to deliver the Reference Item(s), in each case, in relation to the First Reference Entity in respect of which a Credit Event has occurred.

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

Each of the Issuers, the Guarantor or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any Reference Entity, its respective affiliates or any guarantor or any other person or entity having obligations relating to any Reference Entity or its respective affiliates or any guarantor in the same manner as if any Credit Linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity, any of its respective affiliates or any guarantor.

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

Partly-paid Notes
The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

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

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

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

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

UniCredit and UniCredit Ireland's obligations under Subordinated Notes are subordinated
UniCredit and UniCredit Ireland obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which are subordinated but to a lesser degree than the obligations under the relevant Subordinated Notes) of UniCredit and UniCredit Ireland for money borrowed or raised or guaranteed by

UniCredit or UniCredit Ireland, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy (in the case of UniCredit) and Ireland (in the case of UniCredit Ireland). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

In no event will holders of Subordinated Notes be able to accelerate the maturity of their Subordinated Notes; such holders will have claims only for amounts then due and payable on their Subordinated Notes. After the Issuer has fully paid all deferred interest on any issue of Subordinated Notes and if that issue of Subordinated Notes remains outstanding, future interest payments on that issue of Subordinated Notes will be subject to further deferral as described above.

Any deferral of interest payments will likely have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the interest deferral provision of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Under certain conditions, principal and interest payments under Upper Tier II Subordinated Notes must be reduced

UniCredit will be required to reduce payment of interest and principal under the Upper Tier II Subordinated Notes, in the event that UniCredit at any time suffers losses which (as provided for in Articles 2446 and 2447 of the Italian Civil Code) would require UniCredit to reduce its paid up share capital and reserves below the Minimum Capital (as defined in Condition 5.2(a)), to the extent necessary to enable UniCredit, in accordance with requirements under Italian legal and regulatory provisions, to maintain at least the Minimum Capital as provided by the then applicable Bank of Italy Regulations. Such obligations will be reinstated whether or not the Maturity Date of the relevant obligations has occurred: (a) in whole, in the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit and with effect immediately prior to the commencement of such winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*), as if such obligations of UniCredit had not been so reduced in accordance with Conditions 5.2(a) and (b) in whole or in part, from time to time, to the extent that UniCredit, by reason of its having profits, or by reason of its obtaining new capital contributions, or by reason of the occurrence of any other event, would again have at least the Minimum Capital and, therefore, would not be required to reduce its obligations in respect of principal and interest in accordance with Condition 5.2(a).

UniCredit Ireland will be required to reduce payment of interest and principal under the Upper Tier II Subordinated Notes, whether or not matured, in the event that UniCredit Ireland at any time suffers losses that would, in accordance with the provisions of any applicable law, prevent UniCredit Ireland from continuing to trade (as determined by UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed), to the extent necessary to enable UniCredit Ireland to continue to trade in accordance with the requirements of law (as determined by the directors of UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed). Such obligations shall be reinstated if UniCredit Ireland would, after such reinstatement and by reason of the occurrence of any event, be entitled to continue to trade (as determined by UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed). Such reduction shall, subject to the provisions below, be deemed to cease should UniCredit Ireland become, and for so long as it remains, subject to any bankruptcy or liquidation proceedings or process and the obligations of UniCredit Ireland under the Upper Tier II Subordinated Notes shall, in such event, be treated as if they were not reduced in accordance with Condition 5.7. If, at any time during such bankruptcy or liquidation proceedings or process, reduction of the obligations would enable such proceedings or process to be dismissed, discharged, stayed, restrained or vacated and enable UniCredit Ireland to continue to trade (as determined by UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed), the obligations of UniCredit Ireland under the Upper Tier II Subordinated Notes shall be deemed to be reduced.

Under certain conditions, interest payments under Upper Tier II Subordinated Notes must be deferred
UniCredit will not be required to pay interest on the Upper Tier II Subordinated Notes on an Interest Payment Date if (a) no annual dividend has been approved, paid or set aside for payment by a shareholders' meeting of UniCredit or paid in respect of any class of shares of UniCredit during the 12-month period ending on, but excluding, the second London Business Day (as defined in Condition 7.2(e)) immediately preceding such Interest Payment Date, or (b) the Board of Directors of UniCredit has announced, at the time of the release of any interim accounts published during the six-month period ending on, but excluding, the second London Business Day immediately preceding such Interest Payment Date, that, based on such interim accounts, no sums are available at such time for the payment of interim dividends, in accordance with Article 2433-bis of the Italian Civil Code. Any such unpaid amounts of interest will constitute arrears of interest which will bear interest at the rate applicable to the relevant Upper Tier II Subordinated Notes. Arrears of interest (together with any additional interest amount in respect of such arrears of interest) will become due and payable (i) in part *pari passu* and *pro rata* if and to the extent that UniCredit makes payments of or in respect of amounts of interest on or in relation to any other *pari passu* claims not including Lower Tier II Subordinated Notes and Tier III Subordinated Notes; and (ii) in full on the earliest to occur of (A) the Interest Payment Date falling on or after the date on which a dividend is approved or paid on any class of shares of UniCredit; (B) the date for repayment of the Upper Tier II Subordinated Notes; and (C) the date on which the *Liquidazione Coatta Amministrativa* of UniCredit is commenced pursuant to Article 83 of the Italian Banking Act or on which UniCredit becomes subject to a liquidation order.

UniCredit Ireland shall not have any obligation to pay interest accrued in respect of Upper Tier II Subordinated Notes issued by UniCredit Ireland and any failure to pay such interest shall not constitute a default of UniCredit Ireland for any purpose.

Under certain conditions, principal and interest payments under Tier III Subordinated Notes must be suspended and deferred
UniCredit will not be required to pay interest and/or principal on Tier III Subordinated Notes if, at the time any such payment becomes due, (a) UniCredit's Total Amount of Regulatory Capital (as defined in Condition 5.3(b)) is, on a consolidated or unconsolidated basis, less than the aggregate minimum credit risk (*rischio creditizio*) capital requirements of UniCredit, as provided by the then applicable Bank of Italy Regulations, on a consolidated or unconsolidated basis; or (b) upon payment of interest and/or repayment of principal under the Tier III Subordinated Notes, UniCredit's Total Amount of Regulatory Capital becomes, on a consolidated or unconsolidated basis, less than the aggregate minimum credit risk (*rischio creditizio*) capital requirements of UniCredit, as provided by the then applicable Bank of Italy Regulations, on a consolidated or unconsolidated basis. The obligations of UniCredit to effect such payment of interest and/or principal will (subject to, and to the extent provided in, Condition 5.3(e)) be reinstated in the event of a bankruptcy, dissolution, liquidation or winding-up of UniCredit or in the event that UniCredit becomes subject to an order for *Liquidazione Coatta Amministrativa*; or in the event that UniCredit's Total Amount of Regulatory Capital after the payment of interest and/or repayment of principal is, both on an unconsolidated and on a consolidated basis, equal to or more than the minimum aggregate credit risk (*rischio creditizio*) capital requirements of UniCredit, both on an unconsolidated and consolidated basis, as respectively required by the then applicable Bank of Italy Regulations.

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

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

UniCredit will be required to reduce its obligations under the Subordinated Guarantee in respect of principal and interest payable by UniCredit Ireland under the Upper Tier II Subordinated Notes, in the event that UniCredit at any time suffers losses which (as provided for in Articles 2446 and 2447 of the Italian Civil Code) would require UniCredit to reduce its capital below the Minimum Capital (as defined in Condition 5.2(a)), to the extent necessary to enable UniCredit, in accordance with requirements under Italian legal and regulatory provisions, to maintain at least the Minimum Capital as provided by the then applicable Bank of Italy Regulations. Such obligations will be reinstated whether or not the Maturity Date of the relevant obligations has occurred: (a) wholly, in the event of winding-up, dissolution, liquidation or bankruptcy

(including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit and with effect immediately prior to the commencement of such winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*), as if such obligations of UniCredit had not been so reduced in accordance with Condition 5.4(a)(i) and if the relevant payment obligations have otherwise matured or become enforceable; and (b) wholly or in part, from time to time, to the extent that UniCredit, by reason of its having profits, or by reason of its obtaining new capital contributions, or by reason of the occurrence of any other event, would again have at least the Minimum Capital and, therefore, would not be required to reduce its obligations in respect of such principal and interest under the Guarantee in accordance with Condition 5.4(a)(i).

UniCredit will not be required to make any payment under the Subordinated Guarantee in respect of interest on Upper Tier II Subordinated Notes on an Interest Payment Date if (a) no annual dividend has been approved, paid or set aside for payment by a shareholders' meeting of UniCredit or paid in respect of any class of shares of UniCredit during the 12-month period ending on, but excluding, the second London Business Day (as defined in Condition 7.2(e)) immediately preceding such Interest Payment Date or (b) the Board of Directors of UniCredit has announced, at the time of the release of any interim accounts published during the six-month period ending on, but excluding, the second London Business Day immediately preceding such Interest Payment Date, that, based on such interim accounts, no sums are available at such time for the payment of interim dividends, in accordance with Article 2433-*bis* of the Italian Civil Code. Any such unpaid amounts in respect of interest will constitute, for the purposes of Upper Tier II Subordinated Notes, Arrears of Interest which will bear interest at the rate applicable to the relevant Upper Tier II Subordinated Notes. Arrears of Interest (together with any additional interest amount in respect of such arrears of interest) will become due and payable (i) in part *pari passu* and *pro rata* if and to the extent that UniCredit makes payments of or in respect of amounts of interest on or in relation to any other *pari passu* claims; and (ii) in full on the earliest to occur of (A) the Interest Payment Date falling on or after the date on which a dividend is approved or paid on any class of shares of UniCredit, (B) the date for repayment of the Upper Tier II Subordinated Notes; or (C) the date on which the *Liquidazione Coatta Amministrativa* of UniCredit is commenced pursuant to Article 83 of the Italian Banking Act or on which UniCredit becomes subject to a liquidation order.

In the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit, UniCredit will not be required to make any payment under the Subordinated Guarantee in respect of amounts relating to each Series of the Lower Tier II Subordinated Notes (*passività subordinate*) and the relative Receipts and Coupons. Such payment obligations will rank in right of payment after unsubordinated unsecured creditors (including depositors) of UniCredit but at least senior to the payment obligations of UniCredit under the Subordinated Guarantee in respect of amounts relating to any Series of Upper Tier II Subordinated Notes and to the claims of shareholders of UniCredit.

Risks related to Notes generally

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

Modification, waivers and substitution

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

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (a) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (b) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (c) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 20 of the conditions of the Notes.

EU Savings Directive

Under Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they

elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made in or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, the Guarantor, the Principal Paying Agent, nor any of the Paying Agents, nor any institution where the Notes are deposited, would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax, and there would be no requirement for the Issuer or the Guarantor to pay any additional amount pursuant to Condition 11 of the Terms and Conditions of the Notes relating to such withholding. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

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

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

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

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

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

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

equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks
Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

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

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

Documents Incorporated by Reference

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

Document	Information incorporated	Page numbers
UniCredit Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December, 2007	Balance sheet	8-9
	Income statement	11
	Statement of cash flows	14-15
	Explanatory notes	20-360
	Auditors' report	439
UniCredit Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December, 2006	Balance sheet	146-147
	Income statement	149
	Statement of cash flows	152-153
	Explanatory notes	158-461
	Auditors' report	543
UniCredit Unaudited Consolidated Interim Financial Statements as at and for the Six Months Ended 30 June, 2008	Balance sheet	94-95
	Income statement	97
	Statement of cash flows	101
	Explanatory notes	105-199
	Auditors' review report	253
UniCredit Unaudited Consolidated Interim Financial Statements as at and for the Six Months Ended 30 June, 2007	Balance sheet	64-65
	Income statement	67
	Statement of cash flows	70-71
	Explanatory notes	73-167
	Auditors' review report	253
UniCredit Unaudited Consolidated Interim Financial Statements as at and for the Nine Months Ended 30 September, 2008	Balance sheet	12
	Income statement	13-15
	Explanatory notes	17-54
UniCredit Ireland Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December, 2007	Balance sheet	22-23
	Income statement	21
	Statement of cash flows	28-29
	Explanatory notes	30-71
	Auditors' report	7-8
UniCredit Ireland Audited Consolidated Annual Financial Statements as at and for the Financial Year Ended 31 December, 2006	Balance sheet	22-23
	Income statement	21
	Statement of cash flows	28-29
	Explanatory notes	30-58
	Auditors' report	8-9
UniCredit Ireland Unaudited Consolidated Interim Financial Statements as at and for the Six Months Ended 30 June, 2008	Balance sheet	1
	Income statement	2

The consolidated Interim Income Statement and Balance Sheet of UniCredit Ireland for the six months ended 30 June, 2008 has been prepared by the Financial Control Department of UniCredit Ireland and approved by its Board of Directors.

Document	Information incorporated	Page numbers
UniCredit Ireland Unaudited Consolidated Interim Financial Statements as at and for the Six Months Ended 30 June, 2007	Balance sheet Income statement	1 2
The consolidated Interim Income Statement and Balance Sheet of UniCredit Ireland for the six months ended 30 June, 2007 has been prepared by the Financial Control Department of UniCredit Ireland and approved by its Board of Directors.		
Memorandum and Articles of Association of UniCredit Ireland	Entire document	
Memorandum and Articles of Association of UniCredit	Entire document	

Information contained in the documents incorporated by reference other than the information listed in the cross-reference list above is for information purposes only and does not form a part of this Prospectus.

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

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

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

Form of the Notes

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

BEARER NOTES

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

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

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

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

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

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 13) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) at the

Issuer's request. The Issuer will promptly give notice to Noteholders in accordance with Condition 18 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

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

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

REGISTERED NOTES

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Regulation S Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

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

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

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

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 8.4) as the registered holder of the Registered Global Notes. None of the relevant Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 8.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that either (a) an Event of Default has occurred and is continuing, (b) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (c) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (d) at the relevant Issuer's request. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 18 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (d) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

TRANSFER OF INTERESTS

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

GENERAL

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or as otherwise required by a court of competent jurisdiction or a public official authority) shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents as the holder of such nominal amount of such

Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

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

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

A Note may be accelerated by the Trustee thereof in certain circumstances described in Condition 13. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, on and subject to the terms of the Trust Deed. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

Applicable Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[THESE NOTES ARE NOT PRINCIPAL PROTECTED. POTENTIAL PURCHASERS OF THESE NOTES SHOULD UNDERSTAND THAT IF A CREDIT EVENT (AS DEFINED HEREIN) OCCURS, THE NOTES WILL BE REDEEMED EARLY AND, IN FULL SETTLEMENT OF THE NOTES, THE ISSUER SHALL PAY OR DELIVER THE DELIVERABLE OBLIGATIONS AND/OR CASH SETTLEMENT AMOUNT AS THE CASE MAY BE (EACH AS DEFINED HEREIN) (WHICH, AT SUCH TIME, MAY HAVE NO VALUE). IN ADDITION, THE NOTEHOLDER AND ANY PROSPECTIVE PURCHASERS OF THE NOTES, BEFORE INVESTING IN THE NOTE, SHOULD SEE PARAGRAPH 20 OF PART A BELOW.][1]

Final Terms date [ ]

UniCredit S.p.A./UniCredit Bank (Ireland) p.l.c

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

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in subparagraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

(a) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(b) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].[2]

** [The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]**[3]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Prospectus dated 19 November, 2008 [and the Supplement to the Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein

[1] *This wording or any other more appropriate shall be inserted for Credit Linked Notes.*
[2] *Consider including this legend where a non-exempt offer of Notes is anticipated.*
[3] *Consider including this legend where only an exempt offer of Notes is anticipated.*

for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor[s],] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [and the Supplement to the Prospectus]. The Prospectus [and the Supplement to the Prospectus] [is] [are] available for viewing during normal business hours at [UniCredit S.p.A., Via A. Specchi, 16, 00186, Rome, Italy/UniCredit Bank Ireland p.l.c., La Touche House, International Financial Services Centre, Dublin 1, Ireland] and on the website of UniCredit *www.unicreditgroup.eu* [and UniCredit Ireland *www.unicreditbank.ie*], as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from each of the Issuers at the addresses above.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the [original prospectus] dated [ ]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Prospectus date 19 November, 2008 [and the Supplement to the Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [original prospectus] dated [ ] and are attached hereto. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated 19 November, 2008 and the [original prospectus] dated [ ] [and the Supplement[s] to the Prospectus dated [ ] [ ], [and] [ ]]. The Prospectus and the [original prospectus] [and the Supplement[s] to the Prospectus dated [ ] and [ ]] are available for viewing at [UniCredit S.p.A., Via A. Specchi, 16, 00186, Rome, Italy/UniCredit Bank Ireland p.l.c., La Touche House, International Financial Services Centre, Dublin 1, Ireland] and on the website of UniCredit *www.unicreditgroup.eu* [and UniCredit Ireland *www.unicreditbank.ie*] as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from each of the Issuers at the addresses above.]

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

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

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

1.	(a) Issuer:	UniCredit S.p.A./UniCredit Bank Ireland p.l.c.
	(b) Guarantor:	UniCredit S.p.A.
2.	(a) Series Number:	[ ]
	(b) Tranche Number:	[ ] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
3.	Specified Currency or Currencies:	[ ]
4.	Aggregate Nominal Amount:	
	(a) Series:	[ ]
	(b) Tranche:	[ ]
5.	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]

6.	(a) Specified Denominations:[4]	[ ] (*in the case of Registered Notes, this means the minimum integral amount in which transfers can be made*) [ ] (*Note – If an issue of Notes is (a) NOT admitted to trading on a European Economic Area exchange; and (b) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €1,000 minimum denomination is not required.*) [(*Note – where multiple denominations above* [*€50,000*] *or equivalent are being used the following sample wording should be followed:* "[*€50,000*] *and integral multiples of* [*€1,000*] *in excess thereof up to and including* [*€99,000*]. *No Notes in definitive form will be issued with a denomination above* [*€99,000*]."*)*]*
	(b) Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*)
7.	(a) Issue Date:	[ ]
	(b) Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8.	Maturity Date:	[*Fixed rate – specify date/Floating rate or any other rate where the Interest Period end date(s) are adjusted –* Interest Payment Date falling in or nearest to *[specify month and year*]] (*If Upper Tier II Subordinated Notes issued by UniCredit, the redemption of the Notes shall be subject to the prior approval of the Bank of Italy, as set out in Condition 9.1.*)
9.	Interest Basis:	[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/– [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [Credit Linked Interest]

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

	[*specify other*] (further particulars specified below)
10. Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Credit Linked Redemption] [Partly Paid [Instalment] [Extendible[5]] [*specify other*] (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
11. Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of Notes into another Interest Basis or Redemption/ Payment Basis*]
12. Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13. (a) Status of the Notes:	[Senior/Upper Tier II Subordinated/Lower Tier II Subordinated/Tier III Subordinated]
(b) Status of the Guarantee:	[Senior/Upper Tier II Subordinated/Lower Tier II Subordinated/Tier III Subordinated]
(c) Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[ ] [and [ ], respectively] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee*)
14. Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a) Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 7*)
(b) Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date [if applicable [adjusted in accordance with [*specify Business Day Convention*]/not adjusted]]/[*specify other*]] (*N.B. This will need to be amended in the case of long or short coupons.* *If Upper Tier II Subordinated Notes are issued by UniCredit, in the event that the Bank of Italy does not*

[5] *Only applicable to Notes issued by UniCredit Ireland.*

	approve the redemption of the notes on the Maturity Date, the Notes will continue to bear interest and, upon redemption following receipt of the approval of the Bank of Italy, accrued interest in respect of the period from, and including, the Maturity Date to, but excluding, the date of redemption will be payable, all as set out in the Conditions.)
(c) Fixed Coupon Amount(s): (*Applicable to Notes in definitive form*)	[ ] per Calculation Amount
(d) Broken Amount(s): (*Applicable to Notes in definitive form*)	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
(e) Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or *specify other*] (*N.B. if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction*)
(f) Determination Date[s]:	[ ] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon* (*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*) *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
16. Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a) Specified Period(s)/Specified Interest Payment Dates:	[ ]
(b) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable/[*specify other*]]
(c) Additional Business Centre(s):	[ ]
(d) Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]

(f) Screen Rate Determination:

(i) Reference Rate: [ ]

(*Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement*)

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

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

(iii) Relevant Screen Page: [ ]

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

(g) ISDA Determination:

(i) Floating Rate Option: [ ]

(ii) Designated Maturity: [ ]

(iii) Reset Date: [ ]

(h) Margin(s): [+/-] [ ] per cent. per annum

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

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

(k) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(*See Condition 7 for alternatives*)

(l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]

17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(a) Accrual Yield: [ ] per cent. per annum

(b) Reference Price: [ ]

(c) Any other formula/basis of determining amount payable: [ ]

(d) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 9.5(c) (*Redemption and Purchase – Early Redemption Amounts*) and 9.10 (*Redemption and Purchase – Late payment on Zero Coupon Notes*) apply/*specify other*] (*Consider applicable day count fraction if not U.S. dollar denominated*)
18. Index Linked Interest Note/other variable-linked interest Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) (*N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
(a) Index/Formula/other variable:	[*give or annex details including (a) where the underlying is a security, the name of the issuer of the security and the ISIN or other such security identification code, (b) where the underlying is an index, the name of the index and a description of the index if it is composed by the issuer; if the index is not composed by the issuer, where information about the index can be obtained, and (c) where the underlying is a basket of underlyings, the relevant weightings of each underlying in the basket*]
(b) Calculation Agent:	[*give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)*]
(c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):	[ ]
(d) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(e) Specified Period(s)/Specified Interest Payment Dates:	[ ]
(f) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
(g) Additional Business Centre(s):	[ ]
(h) Minimum Rate of Interest:	[ ] per cent. per annum
(i) Maximum Rate of Interest:	[ ] per cent. per annum
(j) Day Count Fraction:	[ ]
19. Dual Currency Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

(*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)

(a) Rate of Exchange/method of calculating Rate of Exchange: [*give or annex details*]

(b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]

(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

(d) Person at whose option Specified Currency(ies) is/are payable: [ ]

20. Credit Linked Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

Capitalised terms used herein and not otherwise defined herein or in the Conditions shall have the meaning set out in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to such Definitions, published by the International Swaps and Derivatives Association, Inc. (the **Definitions**) (as, if applicable, supplemented or amended in the Final Terms), and the Credit Derivatives Physical Settlement Matrix published on 7 March, 2005 by the International Swaps and Derivatives Association, Inc. (the **2005 Matrix**), save that any references to the **Related Confirmation** shall be deemed to refer instead to the **applicable Final Terms**, references to the **Credit Derivative Transaction** shall be deemed to refer instead to the **Notes**, references to the **Buyer** shall be deemed to refer instead to the **Issuer**, and references to the **Seller** shall be deemed to refer instead to the **Noteholder(s)**. The Definitions and the 2005 Matrix are hereby incorporated by reference herein, and shall apply *mutatis mutandis* to the Notes. In the event of any inconsistency between the capitalised terms defined in the Final Terms and/or the Conditions on the one hand and the Definitions and the 2005 Matrix on the other, the capitalised terms defined in the Final Terms and/or the Conditions shall prevail.

(a) Reference Period and Reference Price: The period commencing at or after 12.01 a.m., London time on (and including) the day following the Trade Date and ending at or prior to 11.59 p.m., London time on (and including, subject as provided below) the Scheduled Termination Date. [*if other period applicable, delete previous sentence and insert applicable provisions*]

[ ]

(b) Redemption Date:	[Maturity Date]
(c) Scheduled Termination Date:	[*Maturity Date unless otherwise specified*]
(d) Reference Entity:	[*Specify if Sovereign*] and any Successor. Section 2.31 (*Merger of Reference Entity and Seller*) of the Definitions shall not apply to the Notes.
(e) Reference Obligation:	[ ] First to Default Credit Linked Note [Applicable/Not Applicable]
(f) All Guarantees:	[Applicable/Not Applicable]
(g) Obligation:	Obligation Category: [ ] Obligation Characteristics: [ ] Excluded Obligations: [None]
(h) Grace Period:	[The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, zero/*insert maximum number of days*]
(i) Maturity Date Extension:	[Applicable]
(j) Credit Events:	[Bankruptcy Failure to Pay Obligation Acceleration Obligation Default Repudiation/Moratorium Restructuring: [Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable] [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable] [Multiple Holder Obligation: Applicable]][6]
(k) Payment Requirement:	[Applicable/Not Applicable] [*specify*] (*If not specified, Payment Requirement will be US$1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable*)
(l) Default Requirement:	[Applicable/Not Applicable] [*specify*] (*If not specified, Default Requirement will be US$10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.*)
(m) Conditions to Settlement (if any):	*Where Cash Settlement is specified:* Delivery by the Issuer of a Credit Event Notice, a Reference Obligation Notice [and a Notice of Publicly Available Information][6]

[6] *Delete as appropriate.*

	Where Physical Settlement is specified: Delivery by the Issuer of a Credit Event Notice, a Notice of Physical Settlement [and a Notice of Publicly Available Information] [Notice of Publicly Available Information: **Specified Number:** [ ] (*if applicable and not specified, it shall be two*)]
(n) Settlement:	[Cash/Physical] Settlement (*please specify*) (*if Physical Settlement applies, include the following:*)
(i) Deliverable Obligations:	[Exclude Accrued Interest]
(ii) Deliverable Obligations:	Deliverable Obligation Category: [ ] Deliverable Obligation Characteristics: Not Subordinated/Specified Currency/Standard Specified Currencies/Not Sovereign Lender/Not Domestic Currency/Not Domestic Law/Listed/Not Contingent/Not Domestic Issuance/Assignable Loan/ Consent Required Loan/Transferable/Maximum Maturity [30 years]/Accelerated or Matured/Not Bearer/*Other*] Excluded Obligations: [None]
(iii) Physical Settlement Period:	The longest number of Business Days for settlement in accordance with the then current market practice of any Deliverable Obligation being Delivered, as determined by the Calculation Agent, subject to a minimum of [30/90/120/*other*] Business Days following the satisfaction of all Conditions to Settlement.
(iv) Number of calendar days' notice (Notice of Physical Settlement):	[zero/five/*specify number*] days [*insert number of calendar days prior to Physical Settlement Date*]
(v) Physical Settlement Date:	The date within the Physical Settlement Period upon which all the Deliverable Obligations specified in the Notice of Physical Settlement are Delivered; provided that if on the last day of the Physical Settlement Period the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered due to any reason as set out in Conditions 10.4, 10.5, 10.6, and 10.8 (*Partial Cash Settlement Terms*), the Physical Settlement Date shall be the last day of the Physical Settlement Period. [The Issuer may extend the Physical Settlement Date to such date that the Calculation Agent in its sole discretion designates (the **Extended Physical Settlement Date**). The Extended Physical Settlement Date shall not, however, be later than [ ] Business Days after the Physical Settlement Date.][7]
(vi) Latest Permissible Physical Settlement Date:	[[*specify number*] days after the final day of the Physical Settlement Period].

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

(vii) Amount:	[Applicable/Not Applicable] (*if Cash Settlement is applicable, insert the following*)
(i) Valuation Date:	[ ]
(ii) Quotation Method:	[ ]
(iii) Quotation Amount:	
(iv) Cash Settlement Date:	As set out in the Conditions (specify other)
(v) Cash Settlement Amount:	As set out in the Conditions (specify other)
(vi) Quotation:	[ ]
(vii) Valuation Method for determination of Final Price):	[Exclude Accrued Interest/Include Accrued Interest] (*set out ISDA valuation method or other valuation method in full*)
(viii) Hedge Amount:	[Applicable/Not Applicable]
(ix) Valuation Time:	[ ]

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a) Optional Redemption Date(s):	[ ]
(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount/*specify other*/see Appendix]
(c) If redeemable in part:	
(i) Minimum Redemption Amount:	[ ]
(ii) Maximum Redemption Amount:	[ ]
(d) Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.*)
22. Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a) Optional Redemption Date(s):	[ ]
(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount/*specify other*/see Appendix]
(c) Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different from those provided in the Conditions, the Issuer is advised*

to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)

23. Final Redemption Amount: [ ] per Calculation Amount/*specify other*/see Appendix]

(*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)

24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 9.5 (*Redemption and Repurchase – Early Redemption Amounts*): [[ ] per Calculation Amount/*specify other*/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes

(a) Form of Notes: [Bearer Notes:

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

(*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves.*)

(*N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect:*

"[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

[Registered Notes:

Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee

	for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]
(b) New Global Note:	[Yes] [No]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details*] (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraphs 15(b), 16(c) and 18(g) relate*)
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B. a new form of Temporary Bearer Global Note may be required for Partly Paid issues*]
29. Details relating to Instalment Notes:	
(a) Instalment Amount(s):	[Not Applicable/*give details*]
(b) Instalment Date(s):	[Not Applicable/*give details*]
30. Details relating to Extendible Notes:	[Not Applicable/*give details*]
31. Redenomination applicable:	Redenomination [not] applicable [(*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))][(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms*)]
32. Other final terms:	[Not Applicable/*give details*] [(*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive*)] (*Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.*)

DISTRIBUTION

33. (a) If syndicated, names [and address]** of Managers [and underwriting commitments]:**	[Not Applicable/*give names*, [*addresses and underwriting commitments*]**] (*If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm*

	commitment or on a "best efforts" basis if such entities are not the same as the Managers)***
(b) Date of [Subscription] Agreement:	[ ] (*Delete if the minimum denomination of the Notes is €50,000 or equivalent and the Notes are not derivative securities to which Annex XII of the Prospectus Directive Regulation applies*)
(c) Stabilising Manager (if any):	[Not Applicable/*give name*]
34. If non-syndicated, name [and address]** of relevant Dealer:	[[Not Applicable/*give name [and address]***]
35. Total commission and concession:**	[ ] per cent. of the Aggregate Nominal Amount**
36. U.S. Selling Restrictions	[Reg. S Compliance Category: TEFRA D/TEFRA C/ TEFRA not applicable]
37. Non exempt Offer:**	[Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date or a formula such as "the Issue Date" or "the date which falls* [ ] *Business Days thereafter"*] (**Offer Period**). See further Paragraph 10 of Part B below. (*N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/ passported.*)
38. Additional selling restrictions:	[Not Applicable/*give details*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [, offer in the Public Offer Jurisdictions] and admission to trading on [*specify relevant regulated market*] of the Notes described herein pursuant to the €60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A./UniCredit Bank Ireland p.l.c. [guaranteed by UniCredit S.p.A.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[*Relevant third-party information, for example in compliance with Annex XII to the Prospectus Directive*

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

Signed on behalf of [*name of the Issuer*]:	Signed on behalf of [*name of the Guarantor*]:
By:	By: .....
Duly authorised	*Duly authorised*
By:	By: .....
Duly authorised	*Duly authorised*

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a) Listing and admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] with effect from [ ] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(b) Estimate of total expenses related to admission to trading:*	[ ]*

2. RATINGS

(a) Ratings:	The Notes are expected to be rated: [S&P: [ ]] [Moody's: [ ]] [Fitch: [ ]] [[Other]: [ ]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]** (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

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

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

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

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

[*Delete if the minimum denomination of the Notes is €50,000 (or its equivalent in another currency) and if the Notes are not derivative securities to which Annex XII of the Prospectus Directive applies.*]

(a) [Reasons for the offer**:	[ ]

(*See "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)**]

(b) Estimated net proceeds**: [ ]

(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)**

(c) Estimated total expenses**: [ ]

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

(*N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (b) and (c) above are also required.*)

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: [ ]

[Calculated as [*include details of method of calculation in summary form*] on the Issue Date.]**

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES (*Floating Rate Notes Only*)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS (*Index/other variable Linked Notes, Credit Linked Notes, Index/other variable Linked Interest Notes and Credit Linked Notes Only*)***

(*N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.*)

*If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.***

[*Need to include details of where past and future performance and volatility of the index/formula can be obtained.*]

[*Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.*]]

[*Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.*]

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

8. [POST-ISSUANCE INFORMATION

The Issuer [does not] intend to publish post-issuance information in relation to any underlying element to which the Notes are linked or with regard to assets underlying issues of instruments constituting derivative securities.]

9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes Only*)***

(*N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.*)

[*If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.*]**

[*Need to include details of where past and future performance and volatility of the relevant rates can be obtained.*]

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

10. OPERATIONAL INFORMATION

(a)	ISIN Code:	[ ]
(b)	Common Code:	[ ]
(c)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(d)	Delivery:	Delivery [against/free of] payment
(e)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(f)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with Clearstream Banking, société anonyme or Euroclear Bank S.A./N.V. as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] (*include this text if "yes" selected, in which case the Notes must be issued in NGN form.*)

11. TERMS AND CONDITIONS OF THE OFFER**

(a)	Offer Price:	[Issue Price/Not applicable/*specify*]
(b)	Conditions to which the offer is subject:	[Not applicable/*give details*]
(c)	Description of the application process:	[Not applicable/*give details*]
(d)	Details of the minimum and/or maximum amount of application:	[Not applicable/*give details*]
(e)	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable/*give details*]
(f)	Details of the method and time limits for paying up and delivering the Notes:	[Not applicable/*give details*]
(g)	Manner in and date on which results of the offer are to be made public:	[Not applicable/*give details*]
(h)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/*give details*]
(i)	Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not applicable/*give details*]
(j)	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable/*give details*]
(k)	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not applicable/*give details*]
(l)	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None/*give details*]]

Notes:
** Delete if the minimum denomination is less than €50,000.*
*** Delete if the minimum denomination is €50,000.*
**** Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.*

Terms and Conditions of the Notes

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

This Note is one of a Series (as defined below) of Notes constituted by a Second Amended and Restated Trust Deed, containing the terms of the guarantee applicable to the Notes issued by UniCredit Bank Ireland p.l.c. (**UniCredit Ireland**) dated 19 November, 2008 and made between UniCredit S.p.A. (**UniCredit** or the **Parent**), UniCredit Ireland, UniCredit S.p.A. (in its capacity as guarantor of Notes issued by UniCredit Ireland, the **Guarantor**, which expression shall include any company substituted in place of the Guarantor in accordance with Condition 20) and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the time being for the Noteholders (such Amended and Restated Trust Deed, as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) and issued by UniCredit or UniCredit Ireland (or any other company which has become an issuer under the Programme and the Trust Deed in accordance with Condition 20) as indicated in the applicable Final Terms (the **Issuer**, which expression shall include any company substituted in place of the Issuer in accordance with Condition 20). These terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Registered Notes, Coupons, Receipts and Talons referred to below.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

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

(b) any Global Note;

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

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

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement dated 19 November, 2008 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between UniCredit, UniCredit Ireland, the Guarantor, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as exchange agent (the **Exchange Agent** which expression shall include any successor exchange agent) and as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final

instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

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

Copies of the Trust Deed, the Agency Agreement and a deed poll dated 19 November, 2008 (the **Deed Poll**) and executed by UniCredit and UniCredit Ireland are available for inspection during normal business hours at the principal office for the time being of the Trustee being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the **Agents**) and the Luxembourg Listing Agent as long as the Notes are listed on the Luxembourg Stock Exchange. Copies of the applicable Final Terms are available for viewing during normal business hours at the specified office of each of the Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity unless the regulations of the relevant stock exchange require otherwise. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them.

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

1. FORM, DENOMINATION AND TITLE

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

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

If this Note is an Extendible Note, as specified in the applicable Final Terms, it will be a Note issued by UniCredit Ireland and there will be an option exercisable by the Noteholder to extend the original Maturity Date of such note. The applicable Final Terms will set forth the number of periods for which the maturity

of such Note is extendible, the date beyond which the final maturity may not be extended and the procedure for notification of such extension.

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

This Note may also be a Senior Note, a Lower Tier II Subordinated Note or an Upper Tier II Subordinated Note issued by UniCredit or UniCredit Ireland or a Tier III Subordinated Note issued by UniCredit, as indicated in the applicable Final Terms.

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

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

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

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

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

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in

the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

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

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 9, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

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

2.5 Transfers of interests in Regulation S Global Notes

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

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

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

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

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

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

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

2.6 Transfers of interests in Legended Notes

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

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

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

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

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

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

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

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

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

2.7 Exchanges and transfers of Registered Notes generally

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

2.8 Definitions

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

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

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

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

QIB means a "qualified institutional buyer" within the meaning of Rule 144A as defined below;

Regulation S means Regulation S under the Securities Act;

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

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

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

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

3. GUARANTEED NOTES

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

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

4. STATUS OF THE SENIOR NOTES AND THE SENIOR GUARANTEE

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

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

5. STATUS OF THE SUBORDINATED NOTES AND THE SUBORDINATED GUARANTEE

This Condition 5 applies only to Notes specified in the applicable Final Terms as being Lower Tier II Subordinated Notes, Upper Tier II Subordinated Notes or Tier III Subordinated Notes (together referred to in these Conditions as **Subordinated Notes**).

Paragraphs 5.1 to 5.3 apply only to Subordinated Notes issued by UniCredit, paragraph 5.4 applies only to the Subordinated Guarantee in respect of UniCredit Ireland Subordinated Notes and paragraphs 5.5 to 5.7 apply only in relation to Lower Tier II Subordinated Notes and Upper Tier II Subordinated Notes issued by UniCredit Ireland (together referred to in these Conditions also as **UniCredit Ireland Subordinated Notes**).

5.1 Status of Subordinated Notes issued by UniCredit

(a) Upper Tier II Subordinated Notes (*strumenti ibridi di patrimonializzazione*, as defined in the Regulations of the Bank of Italy (*Istruzioni di Vigilanza della Banca d'Italia*) and the Bank of Italy note n.263 of 27 December, 2006 (the **Bank of Italy Regulations**) or in any provision which, from time to time, amends or replaces such definition), Lower Tier II Subordinated Notes (*passività subordinate*, as defined in the Bank of Italy Regulations or in any provision which, from time to time, amends or replaces such definition) and Tier III Subordinated Notes (*prestiti subordinati di 3° livello*, as defined in the Bank of Italy Regulations or in any provision which, from time to time, amends or replaces such definition) and any relative Receipts and Coupons constitute unconditional, unsecured and

subordinated obligations of UniCredit and, subject to Conditions 5.2(a), 5.2(b) and 5.3, rank *pari passu* without any preference among themselves except as otherwise provided in these Conditions in connection with Upper Tier II Subordinated Notes.

(b) In the event of the winding-up, dissolution, liquidation or bankruptcy of UniCredit or in the event that UniCredit becomes subject to an order for *Liquidazione Coatta Amministrativa*, as defined in Legislative Decree No. 385 of 1 September, 1993 of the Republic of Italy, as amended (the **Italian Banking Act**) the payment obligations of UniCredit under the Subordinated Notes and the relative Receipts and Coupons will rank in right of payment after unsubordinated unsecured creditors (including depositors) of UniCredit and after all creditors of UniCredit holding instruments which are less subordinated than the relevant Subordinated Notes but at least *pari passu* with all other subordinated obligations of UniCredit which do not rank or are not expressed by their terms to rank junior or senior to the relevant Subordinated Notes and in priority to the claims of shareholders of UniCredit.

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

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

5.2 Special provisions relating to Upper Tier II Subordinated Notes

(a) **Loss Absorption**

To the extent that UniCredit at any time suffers losses which (as provided for in Articles 2446 and 2447 of the Italian Civil Code) would require UniCredit to reduce its paid up share capital and reserves below the minimum capital as provided for by the Bank of Italy from time to time for the issuance or maintenance of the Bank of Italy's authorisation to carry on banking activities and as determined by the external auditors of UniCredit and certified in writing to the Trustee by two Directors of UniCredit (the **Minimum Capital**), the obligations of UniCredit in respect of principal and interest under the Upper Tier II Subordinated Notes will be reduced to the extent necessary to enable UniCredit, in accordance with requirements under Italian legal and regulatory provisions, to maintain at least the Minimum Capital.

The obligations of UniCredit in respect of principal and interest under the Upper Tier II Subordinated Notes which are so reduced will be reinstated whether or not the Maturity Date of the relevant obligations has occurred:

(i) in whole, in the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit and with effect immediately prior to the commencement of such winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*), as if such obligations of the UniCredit had not been so reduced in accordance with this Condition 5.2(a); and

(ii) in whole or in part, from time to time, to the extent that UniCredit, by reason of its having profits, or by reason of its obtaining new capital contributions, or by reason of the occurrence of any other event, would again have at least the Minimum Capital and, therefore, would not be required to reduce its obligations in respect of principal and interest in accordance with this Condition 5.2(a).

UniCredit shall forthwith give notice of any such reduction and/or reinstatement to the Trustee and to the Noteholders in accordance with Condition 18 and, under the provisions of the Trust Deed, the Trustee is entitled to rely on any such notification without further investigation.

(b) **Deferral of Interest**

UniCredit will not be required to pay interest on the Upper Tier II Subordinated Notes on an Interest Payment Date if (i) no annual dividend has been approved, paid or set aside for payment by a shareholders' meeting of UniCredit or paid in respect of any class of shares of UniCredit during the 12-month period ending on, but excluding, the second London Business Day (as defined in Condition 7.2(e)) immediately preceding such Interest Payment Date, or (ii) the Board of Directors of UniCredit has announced, at the time of the release of any interim accounts published during the six-month period ending on, but excluding, the second London Business Day immediately preceding such Interest Payment Date, that, based on such interim accounts, no sums are available at such time for the payment of interim dividends, in accordance with Article

2433-*bis* of the Italian Civil Code. Any such unpaid amounts of interest will constitute arrears of interest which will bear interest at the rate applicable to the relevant Upper Tier II Subordinated Notes. Arrears of interest (together with any additional interest amount in respect of such arrears of interest) will become due and payable (A) in part *pari passu* and *pro rata* if and to the extent that UniCredit makes payments of or in respect of amounts of interest on or in relation to any other *pari passu* claims not including Lower Tier II Subordinated Notes and Tier III Subordinated Notes; and (B) in full on the earliest to occur of (I) the Interest Payment Date falling on or after the date on which a dividend is approved or paid on any class of shares of UniCredit; (II) the date for repayment of the Upper Tier II Subordinated Notes; and (III) the date on which the *Liquidazione Coatta Amministrativa* of UniCredit is commenced pursuant to Article 83 of the Italian Banking Act or on which UniCredit becomes subject to a liquidation order.

UniCredit shall forthwith give notice of any such deferral of interest to the Trustee and the Noteholders in accordance with Condition 18 and, under the provisions of the Trust Deed, the Trustee is entitled to rely on any such notification without further investigation.

5.3 Special provisions relating to Tier III Subordinated Notes – Lock-in Clause

(a) The payment of the sums due with respect to interest and/or principal on Tier III Subordinated Notes will be entirely suspended and deferred, and any such suspension and deferral to pay shall not constitute a default of UniCredit under these Conditions if, at the time any such payment becomes due:

(i) UniCredit's Total Amount of Regulatory Capital (as defined below) is, on a consolidated or unconsolidated basis, less than the aggregate minimum credit risk (*rischio creditizio*) capital requirements of UniCredit, as provided by the then applicable Bank of Italy Regulations, on a consolidated or unconsolidated basis; or

(ii) upon payment of interest and/or repayment of principal under the Tier III Subordinated Notes, UniCredit's Total Amount of Regulatory Capital becomes, on a consolidated or unconsolidated basis, less than the aggregate minimum credit risk (*rischio creditizio*) capital requirements of UniCredit, as provided by the then applicable Bank of Italy Regulations, on a consolidated or unconsolidated basis.

(b) **UniCredit's Total Amount of Regulatory Capital** means:

(i) on an unconsolidated basis, the aggregate amount of the items stated and defined in (A), (B), (C), (D), (E), and (F) below and any additional, replacement and/or adjusted or other items, in each case which may from time to time be required to be included pursuant to the then applicable Bank of Italy Regulations for the purposes of calculating UniCredit's Total Amount of Regulatory Capital;

(ii) on a consolidated basis, the aggregate amount of the items listed in (i) above, calculated on a consolidated basis, according to the Bank of Italy Regulations from time to time applicable,

where:

(A) taken as a positive figure, means the aggregate amount of the regulatory capital of UniCredit (*Patrimonio di Vigilanza*), calculated on an unconsolidated basis, as set forth in the then applicable Bank of Italy Regulations;

(B) taken as a positive figure, means the aggregate amount of any indebtedness of UniCredit qualified by the Bank of Italy as *passività subordinate di 3° livello*, intended to cover the minimum capital requirements for market risks, calculated on an unconsolidated basis (as defined in the Bank of Italy Regulations or any provision which amends or replaces such definition) in accordance with the following paragraph (C), provided however that the amount of such indebtedness can only be included up to the absolute amount of the following paragraph (C);

(C) taken as a negative figure, means the minimum capital requirements for market risks of UniCredit, calculated on an unconsolidated basis (as defined in the Bank of Italy Regulations or any provision which amends or replaces such definition);

(D) taken as a negative figure, means the excess of the limit to the ownership of shareholdings in non-financial companies acquired by UniCredit following the recovery of credits (as defined in the Bank of Italy Regulations or any provision which amends or replaces such definition);

(E) taken as a negative figure, means the excess over the limit on the ownership of real estate acquired by UniCredit following the recovery of credits (as defined in the Bank of Italy Regulations or any provision which amends or replaces such definition); and

(F) taken as a negative figure, means any additional specific capital requirements imposed on UniCredit by the Bank of Italy, to the extent not taken into account in paragraphs (C) to (E).

(c) For the purposes of the Tier III Subordinated Notes, UniCredit's Total Amount of Regulatory Capital is deemed to be equal to or more than the minimum credit risk (*rischio creditizio*) capital requirements of UniCredit as required by the then applicable Bank of Italy Regulations, when:

(i) UniCredit's Total Amount of Regulatory Capital, calculated on an unconsolidated basis, is equal to or more than the 7 per cent. (or such other percentage as may be, from time to time, set forth, on an unconsolidated basis, by the Bank of Italy) of the aggregate weighted assets to be comprised in the calculation, on an unconsolidated basis, of the minimum capital requirements of UniCredit (such assets being defined in the Bank of Italy Regulations or any provision which amends or replaces such definition); and

(ii) UniCredit's Total Amount of Regulatory Capital, calculated on a consolidated basis, is equal to or more than 8 per cent. (or such other percentage as the Bank of Italy may, from time to time, require on a consolidated basis) of the aggregate weighted assets to be comprised in the calculation of the consolidated minimum capital requirements of the banking group controlled directly or indirectly by UniCredit (such assets being defined in the Bank of Italy Regulations or any provision which amends or replaces such definition).

(d) The obligations of UniCredit to effect the payment of interest (including Arrears of Interest and Default Interest (each as defined below)) not paid when due and/or to repay principal not repaid when due, in each case in accordance with Condition 5.3(a), will (subject to, and to the extent provided in, Condition 5.3(e)), be reinstated and will start to accrue in whole and as if the payment obligations of UniCredit had never been so suspended (but without prejudice to the subordination provided for in Condition 5.1):

(i) in the event of a bankruptcy, dissolution, liquidation or winding-up of UniCredit or in the event that UniCredit becomes subject to an order for *Liquidazione Coatta Amministrativa*; or

(ii) in the event that UniCredit's Total Amount of Regulatory Capital after the payment of interest and/or repayment of principal is, both on an unconsolidated and on a consolidated basis, equal to or more than the minimum aggregate credit risk (*rischio creditizio*) capital requirements of UniCredit, both on an unconsolidated and consolidated basis, as respectively required by the then applicable Bank of Italy Regulations.

(e) Where, following any suspension and deferral pursuant to Condition 5.3(a), the obligation to pay interest (including Arrears of Interest and Default Interest) and/or to repay principal has been reinstated pursuant to Condition 5.3(d)(ii), the obligation will become effective at and will be paid on the first Interest Payment Date (or, if none, on the tenth Business Day) immediately following the date of receipt by the Bank of Italy of a Report (as defined below), according to which UniCredit's Total Amount of Regulatory Capital net of amounts to be paid in respect of interest and/or repayment of principal, both on an unconsolidated and consolidated basis, is equal to or more than the minimum aggregate credit risk (*rischio creditizio*) capital requirements set forth by the then applicable Bank of Italy Regulations.

If the payment of interest and/or the repayment of principal has been suspended pursuant to the provisions of Condition 5.3(a), the reinstatement of the obligation to make payment and/or repayment in respect thereof pursuant to Condition 5.3(d) shall, where there are insufficient amounts pursuant to the foregoing provisions to make full payment in respect thereof, be made in part as such amounts become so available pursuant to the foregoing provisions in the following order:

(i) payment of any Default Interest (as defined below) (where not paid in full, Default Interest shall be paid in the order in which it accrued);

(ii) payment of any Arrears of Interest (as defined below) (where not paid in full, Arrears of Interest shall be paid in the order in which it accrued);

(iii) payment of interest otherwise due pursuant to Condition 7; and

(iv) repayment of principal.

All payments to holders of Tier III Subordinated Notes will be made on a *pro rata* basis.

(f) If for any reason (including, but not limited to, merger or any other extraordinary transaction) UniCredit, in accordance with any applicable laws and regulations, ceases to be a member of a banking group, the percentage referred to in Condition 5.3(c)(i) will be the percentage required by the then applicable Bank of Italy Regulations on an unconsolidated basis.

(g) If for any reason (including, but not limited to, merger or any other extraordinary transaction) UniCredit, in accordance with any applicable laws and regulations, ceases to be a member of a banking group, all references in this Condition 5.3 to parameters referred to consolidated figures of the Issuer will automatically be voided, becoming references to parameters calculated on an unconsolidated basis (but without prejudice to the provisions of Condition 5.3(d)).

(h) **Arrears of Interest and Default Interest**

Any interest that UniCredit does not pay when due shall constitute, for the purposes of the Tier III Subordinated Notes, **Arrears of Interest**.

Arrears of Interest not paid by UniCredit in accordance with Condition 5.3(a) shall not bear default interest. In all other cases, Arrears of Interest not paid by UniCredit when due for reasons other than those provided for in Condition 5.3 shall accrue default interest (**Default Interest**) at the Rate of Interest in accordance with Condition 7 as if references therein to the outstanding nominal amount of a Note were references to the Arrears of Interest in respect thereof.

Such Default Interest will accrue during the entire period from the date of the failure to pay Arrears of Interest until the date of their full payment.

(i) In these Terms and Conditions:

Report means the report that UniCredit, under the Bank of Italy Regulations, is required to send semi-annually to the Bank of Italy for purposes of the control of compliance with minimum regulatory capital requirements, on an unconsolidated and consolidated basis, as at 31 December and 30 June of each fiscal year. For the purposes of these Terms and Conditions, neither the quarterly report which Italian banks are required to send for the sole purposes of the control of compliance with the minimum regulatory capital requirements on an unconsolidated basis as at 31 March and 30 September of each fiscal year, nor any such other reporting which the Bank of Italy may in the future require to be made, will be taken into account.

(j) The Trustee shall be entitled to rely on any notices or reports from the Issuer to the Bank of Italy as to the value from time to time of UniCredit's Total Amount of Regulatory Capital without further investigation.

5.4 Status of the Subordinated Guarantee

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

All amounts paid by UniCredit under the Subordinated Guarantee in respect of principal and interest on each Series of Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes issued by UniCredit Ireland will be paid *pro rata* on all Upper Tier II Subordinated Notes or Lower Tier II Subordinated Notes issued by UniCredit Ireland, as the case may be, of such Series.

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

(a) **Status of the Subordinated Guarantee in respect of the Upper Tier II Subordinated Notes**

(i) *Loss Absorption*

To the extent that UniCredit at any time suffers losses which (as provided for in Articles 2446 and 2447 of the Italian Civil Code) would require UniCredit to reduce its capital below the Minimum Capital, the obligations of UniCredit under the Subordinated Guarantee in respect of principal and interest payable by UniCredit Ireland under the Upper Tier II Subordinated Notes will be reduced to the extent necessary to enable UniCredit, in accordance with requirements under Italian legal and regulatory provisions, to maintain at least the Minimum Capital.

The obligations of UniCredit in respect of such principal and interest under the Upper Tier II Subordinated Notes under the Subordinated Guarantee which are so reduced will be reinstated whether or not the Maturity Date of the relevant obligations has occurred:

(A) in whole, in the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit and with effect immediately prior to the commencement of such winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*), as if such obligations of UniCredit had not been so reduced in accordance with this Condition 5.4(a)(i) and if the relevant payment obligations have otherwise matured or become enforceable; and

(B) in whole or in part, from time to time, to the extent that UniCredit, by reason of its having profits, or by reason of its obtaining new capital contributions, or by reason of the occurrence of any other event, would again have at least the Minimum Capital and, therefore, would not be required to reduce its obligations in respect of such principal and interest under this Guarantee in accordance with this Condition 5.4(a)(i).

UniCredit shall forthwith give notice of any such reduction and/or reinstatement to the Trustee and the Noteholders in accordance with Condition 18 and, under the provisions of the Trust Deed, the Trustee is entitled to rely on any such notification without further investigation.

(ii) *Deferral of Interest*

UniCredit will not be required to make any payment under the Subordinated Guarantee in respect of interest on Upper Tier II Subordinated Notes on an Interest Payment Date if (A) no annual dividend has been approved, paid or set aside for payment by a shareholders' meeting of UniCredit or paid in respect of any class of shares of UniCredit during the 12-month period ending on, but excluding, the second London Business Day (as defined in Condition 7.2(e)) immediately preceding such Interest Payment Date or (B) the Board of Directors of UniCredit has announced, at the time of the release of any interim accounts published during the six-month period ending on, but excluding, the second London Business Day immediately preceding such Interest Payment Date, that, based on such interim accounts, no sums are available at such time for the payment of interim dividends, in accordance with Article 2433-bis of the Italian Civil Code. Any such unpaid amounts in respect of interest will constitute, for the purposes of Upper Tier II Subordinated Notes, Arrears of Interest, which will bear interest at the rate applicable to the relevant Upper Tier II Subordinated Notes. Arrears of Interest (together with any additional interest amount in respect of such arrears of interest) will become due and payable (I) in part *pari passu* and *pro rata* if and to the extent that UniCredit makes payments of or in respect of amounts of interest on or in relation to any other *pari passu* claims; and (II) in full on the earliest to occur of (1) the Interest Payment Date falling on or after the date on which a dividend is approved or paid on any class of shares of UniCredit; (2) the date for repayment of the Upper Tier II Subordinated Notes; or (3) the date on which the *Liquidazione Coatta Amministrativa* of UniCredit is commenced pursuant to Article 83 of the Italian Banking Act or on which UniCredit becomes subject to a liquidation order.

UniCredit shall forthwith give notice of any such deferral of interest to the Trustee and the Noteholders in accordance with Condition 18 and, under the provisions of the Trust Deed, the Trustee is entitled to rely on any such notification without further investigation.

(iii) *Subordination of the Upper Tier II Subordinated Notes*
In the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit, the payment obligations of UniCredit under the Subordinated Guarantee in respect of amounts relating to each Series of the Upper Tier II Subordinated Notes and the relative Receipts and Coupons will rank in right of payment after unsubordinated unsecured creditors (including depositors) and payment obligations of UniCredit under the Subordinated Guarantee in respect of amounts relating to the Lower Tier II Subordinated Notes and senior to the claims to shareholders of UniCredit.

(b) **Status of the Subordinated Guarantee in respect of the Lower Tier II Subordinated Notes**
In the event of winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*, as described in Articles 80 to 94 of the Italian Banking Act) of UniCredit, the payment obligations of UniCredit under the Subordinated Guarantee in respect of amounts relating to each Series of the Lower Tier II Subordinated Notes (*passività subordinate*) and the relative Receipts and Coupons will rank in right of payment after unsubordinated unsecured creditors (including depositors) of UniCredit but at least senior to the payment obligations of UniCredit under the Subordinated Guarantee in respect of amounts relating to any Series of Upper Tier II Subordinated Notes and to the claims of shareholders of UniCredit.

5.5 Status of Subordinated Notes issued by UniCredit Ireland

(a) Upper Tier II Subordinated Notes and any related Coupons constitute unconditional and unsecured obligations of UniCredit Ireland subordinated as described in Condition 5.7(a). Notes of each Series of Upper Tier II Subordinated Notes will rank *pari passu* without any preference among themselves.

(b) Lower Tier II Subordinated Notes and any related Coupons constitute unconditional and unsecured obligations of UniCredit Ireland subordinated as described in Condition 5.6. Notes of each Series of Lower Tier II Subordinated Notes will rank *pari passu* without any preference among themselves.

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

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

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

5.6 Special Provisions relating to Lower Tier II Subordinated Notes

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

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

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

(c) ahead of all claims of subordinated creditors that are more subordinated than the Lower Tier II Claims (which will include Upper Tier II Claims (as defined below)) and all claims in respect of the share capital of UniCredit Ireland.

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

5.7 Special Provisions relating to Upper Tier II Subordinated Notes

(a) **Subordination**

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

(i) after claims of all unsubordinated creditors and claims of all subordinated creditors whose claims are less subordinated than the Upper Tier II Claims (which will include Lower Tier II Claims);

(ii) *pari passu* with all claims of subordinated creditors that have the same degree of subordination as the Upper Tier II Claims; and

(iii) ahead of all claims in respect of the share capital of UniCredit Ireland.

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

(b) **Deferral of interest**

Notwithstanding the terms of any other Condition or provisions of, or relating to, the Upper Tier II Subordinated Notes, UniCredit Ireland shall not have any obligation to pay interest accrued in respect of such Notes and any failure to pay such interest shall not constitute a default of UniCredit Ireland for any purpose.

(c) **Loss absorption**

To the extent that UniCredit Ireland at any time suffers losses that would, in accordance with the provisions of any applicable law, prevent UniCredit Ireland from continuing to trade (as determined by UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed), the obligations of UniCredit Ireland in respect of interest and principal under the Upper Tier II Subordinated Notes, whether or not matured, will be reduced to the extent necessary to enable UniCredit Ireland to continue to trade in accordance with the requirements of law (as determined by the directors of UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed). Such obligations shall be reinstated if UniCredit Ireland would, after such reinstatement and by reason of the occurrence of any event, be entitled to continue to trade (as determined by UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed). Such reduction shall, subject to the below, be deemed to cease should UniCredit Ireland become, and for so long as it remains, subject to any bankruptcy or liquidation proceedings or process, and the obligations of UniCredit Ireland under the Upper Tier II Subordinated Notes shall, in such event, be treated as if they were not reduced in accordance with this Condition. If, at any time during such bankruptcy or liquidation proceedings or process, reduction of the obligations would enable such proceedings or process to be dismissed, discharged, stayed, restrained or vacated and UniCredit Ireland to continue to trade (as determined by UniCredit Ireland, acting reasonably and having taken such professional advice as it considers appropriate, and certified to the Trustee in accordance with the Trust Deed), the obligations of UniCredit Ireland under the Upper Tier II Subordinated Notes shall be deemed to be reduced.

The Trustee shall be entitled to rely on certificates of UniCredit Ireland in this regard without further investigation.

6. REDENOMINATION

6.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Principal Paying Agent, the Trustee, DTC, Euroclear and Clearstream, Luxembourg (as applicable) and at least 30 days' prior notice to the Noteholders in accordance with Condition 18 and having notified the Trustee prior to the provision of such notice, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of €0.01 with a nominal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the prior written agreement of the Principal Paying Agent and the Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agents of such deemed amendments;

(b) the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Agent and the Trustee may approve) €0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

  (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

  (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount,

  and in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Principal Paying Agent, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

6.2 Definitions

In the Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

IFSRA means the Irish Financial Services Regulatory Authority, as a constituent part of the Central Bank and Financial Services Authority of Ireland, and shall be deemed to include references to any predecessor or successor regulator;

Redenomination Date means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 6.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

Treaty means the Treaty establishing the European Community, as amended.

7. INTEREST

7.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (but excluding) the Maturity Date.

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

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

Except in the cases of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub– unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amount (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 7.1:

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

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of

Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

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

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

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

In the Conditions:

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

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

7.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) **Interest Payment Dates**

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

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

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

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

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

(A) in any case where Specified Periods are specified in accordance with Condition 7.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

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

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

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

In the Conditions, **Business Day** means a day which is both:

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

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

(b) **Rate of Interest**

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

(i) ISDA Determination for Floating Rate Notes

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

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

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

(C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate (LIBOR) or on the Euro-zone interbank offered rate (EURIBOR), the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

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

(A) the offered quotation; or

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A), no such offered quotation appears or, in the case of (B), fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**
If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**
The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

Calculation Agent means the entity designated for such purpose as is specified in the applicable Final Terms.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period:

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

(B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

'M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(G) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D_2 will be 30.

(e) **Notification of Rate of Interest and Interest Amounts**
The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Luxembourg Stock Exchange at the latest on the first London Business Day of each Interest Period, the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 18 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 18. For the purposes of this paragraph (e), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) **Determination or Calculation by Trustee**
If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with paragraph (b) or (d) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (c) above, the Trustee may (without any liability for loss, damage, cost, expense or any other claim whatsoever) determine the Rate of Interest at such rate plus or minus (as appropriate) the relevant margin (if any) as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 7.2, but subject always to paragraph (b) above, it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee may (without any liability for loss, damage, cost, expense or any other claim whatsoever) calculate the Interest Amount(s) in the manner referred to in paragraph (d) above, and such determination or calculation shall be deemed to have been made by the Agent or the Calculation Agent, as applicable.

(g) **Certificates to be final**
All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7.2, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, or, if applicable, the Trustee, shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, the Guarantor (in the case of the Guaranteed Notes), the Trustee, the Principal Paying Agent, the

Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non– exercise by it of its powers, duties and discretions pursuant to such provisions.

7.3 Interest on Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

7.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

7.5 Interest on Credit Linked Notes

In the case of Credit Linked Notes which are interest bearing Notes, the rate and/or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

7.6 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 18.

8. PAYMENTS

8.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11.

8.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 8.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 8.1 above against

presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 8.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 11) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

8.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

8.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified

Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

8.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor (in the case of Guaranteed Notes).

8.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 12) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) the relevant place of presentation;

(ii) London; and

(iii) any Additional Financial Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

8.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 11;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 9.5); and

(g) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11.

Any reference in these Conditions to payment of any sums in respect of the Notes (including, in respect of Index Linked Notes, Physically-Settled Notes (as defined in Condition 9.11) and other structured Notes) shall be deemed to include, as applicable, delivery of any relevant Reference Asset (as defined in Condition 9.11) if so provided in the applicable Final Terms and references to paid and payable shall be construed accordingly.

9. REDEMPTION AND PURCHASE

9.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will (subject, with respect to Upper Tier II Subordinated Notes issued by UniCredit, to the following paragraph; with respect to UniCredit Ireland Subordinated Notes, to the subsequent paragraph; and, with respect to Tier III

Subordinated Notes, to the provisions of Condition 5.3) be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

The redemption of Upper Tier II Subordinated Notes issued by UniCredit shall always be subject to the prior approval of the Bank of Italy, such approval being dependent on UniCredit maintaining its minimum capital requirements (*patrimonio di vigilanza*) as prescribed in the Bank of Italy Regulations immediately following redemption of the Upper Tier II Subordinated Notes. If such approval is not given on or prior to the Maturity Date, UniCredit will re-apply to the Bank of Italy for its consent to such redemption forthwith upon its having again, by whatever means, such required minimum capital. UniCredit will use its best endeavours to maintain such required minimum capital and to obtain such approval. Amounts that would otherwise be payable on the Maturity Date will continue to bear interest as provided in Condition 7.6.

Notwithstanding the terms of any other Condition or provisions of, or relating to, the UniCredit Ireland Subordinated Notes, the redemption of:

(a) Upper Tier II Subordinated Notes issued by UniCredit Ireland at any time; and

(b) Lower Tier II Subordinated Notes issued by UniCredit Ireland having:

(i) an original maturity of at least five years before the Maturity Date; or

(ii) no fixed maturity in circumstances where five years' notice of redemption has not been given,

shall always be subject to the prior consent of IFSRA and any failure by UniCredit Ireland to redeem any such Notes where such consent has not been granted shall not constitute a default of UniCredit Ireland for any purpose. Consent to redemption is at the discretion of IFSRA but will not be granted on the initiative of the Noteholder or where the solvency of UniCredit Ireland would be affected.

9.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer (but subject to the prior approval of the Bank of Italy in the case of Subordinated Notes issued by UniCredit and of IFSRA in the case of Subordinated Notes issued by UniCredit Ireland) in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and the Trustee and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 or the Guarantor (in the case of Guaranteed Notes) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 11) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two authorised signatories of the Issuer or, as the case may be, two authorised signatories of the Guarantor stating that the said circumstances prevail and describe the facts leading thereto and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 9.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2. Notes redeemed pursuant to this Condition 9.2 will be redeemed at their Early Redemption Amount referred to in Condition 9.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

9.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may (subject, in the case of Subordinated Notes, to the prior approval of the Bank of Italy or IFSRA, as applicable), having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 18; and

(b) not less than 15 days before the giving of the notice referred to in (a), notice to the Trustee, the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 18 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 9.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 at least five days prior to the Selection Date.

9.4 Redemption at the option of the Noteholders (Investor Put)

This Condition 9.4 applies only to Notes specified in the applicable Final Terms as being Senior Notes.

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 18 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not, in the case of a Bearer Note in definitive form, in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms. Registered Notes may be redeemed under this Condition 9.4 in any multiple of their lowest Specified Denomination.

If this Note is represented by a Global Note and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to any Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or, as the case may be, the common safekeeper for them to any Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to any Paying Agent for notation accordingly.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and

signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

9.5 Early Redemption Amounts

For the purpose of Condition 9.2 above and Condition 13, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = RP = $(1 + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^{y} is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

9.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 9.5 above.

9.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

9.8 Purchases

Subject as provided in the following paragraph, the Parent, the Issuer or any subsidiary of the Parent may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

Subordinated Notes may only be purchased by the Parent, the Issuer or any of the Parent's subsidiaries subject to the prior approval of the Bank of Italy or IFSRA, as appropriate, unless the Notes to be purchased

(a) do not exceed 10 per cent. of the aggregate nominal amount of the Series and (b) are not purchased in order to be surrendered to any Paying Agent for cancellation.

9.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased by the Parent, the Issuer or any Subsidiary of the Issuer and surrendered to any Paying Agent for cancellation pursuant to Condition 9.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

9.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 9.1, 9.2, 9.3 or 9.4 above or upon its becoming due and repayable as provided in Condition 13 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 9.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent, the Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 18.

9.11 Index Linked Notes and other Structured Notes

The Issuer may, as indicated in the applicable Final Terms, be entitled to redeem Index Linked Notes or other structured Notes, including where the amount of principal and/or interest in respect of such Notes is based on the price, value, performance or some other factor relating to an asset or other property (**Reference Asset**), by physical delivery of all or part of the Reference Asset or of some other asset or property (**Physically-Settled Notes**).

9.12 Italian Civil Code

The Notes are not subject to Article 1186 of the Italian Civil Code nor, to the extent applicable, to Article 1819 of the Italian Civil Code.

10. PROVISIONS APPLICABLE TO CREDIT LINKED NOTES

The following provisions apply to Credit Linked Notes including First-to-Default Credit Linked Notes (subject as provided in the applicable Final Terms).

10.1 Redemption of Credit Linked Notes upon occurrence of Credit Event

(a) **Credit Event Notice**

If at any time the Calculation Agent determines that a Credit Event has occurred during the Reference Period, whether or not such event is continuing, the Issuer may give a notice (the **Credit Event Notice**) during the Notice Delivery Period to the Noteholders in accordance with Condition 18 of its intention to redeem the Credit Linked Notes (other than principal protected Credit Linked Notes or as otherwise stated in the applicable Final Terms), and if such notice is so given and the other Conditions to Settlement (as specified in the applicable Final Terms) are satisfied, the Issuer shall redeem all but not some only of the Credit Linked Notes then outstanding on the Credit Event Redemption Date, subject to the provisions of Condition 10.11, as determined by the Calculation Agent in its sole discretion. Such redemption shall occur by Physical Settlement and/or, if so specified in the applicable Final Terms, Cash Settlement.

The Credit Event Redemption Date may be a date falling after the originally scheduled Redemption Date in which case the originally scheduled Redemption Date shall be deemed to be replaced by the relevant date specified in the Credit Event Notice or otherwise notified to the Noteholders.

For the avoidance of doubt and notwithstanding any other provision of these Terms and Conditions, no amount of interest shall be payable on the Notes as from (and including) the Interest Payment Date (or,

if none, the Interest Commencement Date) immediately preceding the date on which the Credit Event occurred, unless otherwise specified in the applicable Final Terms.

The Credit Event Notice shall (if appropriate) be published in the relevant newspaper(s) referred to in Condition 18 and shall:

(i) describe the grounds on which the Calculation Agent has determined that there has been a Credit Event (but need not assert that a Credit Event is continuing);

(ii) specify the Event Determination Date; and

(iii) confirm that either (A) the Notes will be redeemed by delivery of the Deliverable Obligations as specified in the Notice of Physical Settlement (in the case of Physical Settlement and subject to the provisions of Condition 10.10) or (B) the Notes will be redeemed at their Cash Settlement Amount, in each case on the Credit Event Redemption Date.

Unless otherwise stated in the applicable Final Terms in respect of principal protected Credit Linked Notes or otherwise, once a Credit Event has occurred during the Reference Period and a Credit Event Notice has been issued, the Issuer's only obligation, other than to deliver a Notice of Publicly Available Information (if specified in the applicable Final Terms) and in the case of Cash Settlement, a Reference Obligation Notice and, in the case of Physical Settlement, a Notice of Physical Settlement, shall be to deliver (subject to the provisions of Conditions 10.4, 10.5, 10.6 and 10.7 below) the Deliverable Obligations (in the case of Physical Settlement) and/or, as the case may be, pay the Cash Settlement Amount (in the case of Cash Settlement), on the Credit Event Redemption Date. Upon delivery of the Deliverable Obligations and/or, as the case may be, payment of the Cash Settlement Amount in respect of each Note, the Issuer shall have discharged all of its obligations in respect of such Note and shall have no other liability or obligation whatsoever in respect thereof.

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, there may be more than one Credit Event Notice delivered in respect of the same Reference Entity, as further described in Condition 10.11 below.

If "First to Default Credit Linked Note" is specified as "Applicable" in the Final Terms, then this paragraph (a) shall apply only to the Reference Entity in respect of which a Credit Event has occurred first in time with respect to the other Reference Entities specified in the Final Terms.

(b) **Determination of the occurrence of a Credit Event**
The Calculation Agent shall determine whether or not a Credit Event has occurred during the Reference Period. The Calculation Agent shall, however, have no duty or responsibility to investigate or check whether such Credit Event has or may have occurred or is continuing on any date and shall be entitled to assume, in the absence of actual knowledge to the contrary of the employees or officers of the Calculation Agent directly responsible for the time being for making determinations hereunder, that no Credit Event has occurred or is continuing.

When determining the existence or occurrence of any Credit Event, the determination shall be made without regard to:

(i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(iv) the imposition of or any change in any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

If the Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred during the Reference Period it shall promptly notify the Issuer and the Principal Paying Agent. The determination by the Calculation Agent of the occurrence of a Credit Event shall (in the absence of wilful default, bad faith or manifest error) be conclusive and binding on all persons (including, without limitation, the Noteholders).

(c) **Calculation Agent and notices**
The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under or pursuant to this Condition shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under or pursuant to the Notes including, without limitation, the giving of any notice to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

A notice delivered by the Calculation Agent on or prior to 5.00 p.m., London time, on a London Business Day will be effective on such London Business Day. A notice delivered after 5.00 p.m., London time, will be deemed effective on the next following London Business Day regardless of the form in which it is delivered. For the purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one London Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice. If that written confirmation is not received within such time, the party obligated to deliver that confirmation will be deemed to have satisfied its obligation to deliver such written confirmation at the time that a written confirmation of the oral notice is received.

10.2 Physical Settlement

Where the Issuer is to redeem the Notes by means of Physical Settlement, the redemption of the Notes shall, subject as provided in Condition 19, be effected by the delivery by the Delivery Agent on behalf of the Issuer to the Noteholders of the Deliverable Obligations on the Credit Event Redemption Date.

If Hedge Amount is specified as "Applicable" in the Final Terms, then the Delivery Agent on behalf of the Issuer shall deliver the Deliverable Obligations subject to adjustment after taking into consideration the Hedge Amount pursuant to the following:

(a) if the Hedge Amount results in a net loss to the Issuer, then an amount of the Deliverable Obligations selected by the Delivery Agent in its sole discretion equivalent in value in aggregate to such net loss shall be deducted from the Deliverable Obligations, and the remaining portion of the Deliverable Obligations, if any, shall be delivered; or

(b) if the Hedge Amount results in a net gain to the Issuer, such net gain shall be paid in cash to the Noteholders on or before the Physical Settlement Date in addition to the delivery of the Deliverable Obligations.

In the case of Deliverable Obligations that are Borrowed Money obligations, (i) the Issuer will deliver Deliverable Obligations with an outstanding principal balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified in the Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified in the Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Final Terms, excluding accrued but unpaid interest) and (ii) in the case of Deliverable Obligations that are not Borrowed Money obligations, the Issuer will deliver Deliverable Obligations with a Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent amount in the applicable currency of any such amount), in an aggregate amount as close as possible to the outstanding Aggregate Nominal Amount of the Notes.

The portion of Deliverable Obligations deliverable in respect of each Note shall be determined by reference to the proportion that the Specified Denomination of such Note bears to the outstanding Aggregate Nominal Amount of the Notes.

Unless otherwise specified in the applicable Final Terms, a Notice of Physical Settlement must be delivered by the Issuer to the Noteholders in accordance with Condition 18 on or before the thirtieth calendar day after the relevant Event Determination Date (such thirtieth calendar day being the **Physical Determination Date**). For purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the date of the Notice of Physical Settlement (whether or not subsequently changed) shall be used.

For the avoidance of doubt, failure to deliver a Notice of Physical Settlement to the Noteholders shall not relieve the Issuer from its obligation to redeem the Notes. If on the Physical Determination Date no Notice of Physical Settlement has been delivered to the Noteholders in accordance with Condition 18, the Issuer shall be obliged to redeem the Notes in cash at their outstanding Aggregate Nominal Amount as soon as reasonably practicable and the date on which the Notes are redeemed shall be deemed to be the Credit Event Redemption Date.

10.3 Cash Settlement

Where the Issuer is to redeem the Notes by means of Cash Settlement, the redemption of each Note shall be effected by the payment by the Issuer to the Noteholder of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned *pro rata* among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

If Hedge Amount is specified as "Applicable" in the Final Terms, then the Issuer shall pay the Cash Settlement Amount, subject to adjustment after taking into consideration the Hedge Amount pursuant to the following:

(a) if the Hedge Amount results in a net loss to the Issuer, then the net loss shall be deducted from the Cash Settlement Amount otherwise payable to Noteholders; or

(b) if the Hedge Amount results in a net gain to the Issuer, such net gain shall be paid to add to the Cash Settlement Amount otherwise payable to Noteholders.

10.4 Partial Cash Settlement due to illegality or impossibility

If, due to an event beyond the control of the Issuer or a Noteholder (including, without limitation, failure of the relevant clearing system or due to any law, regulation or court order but excluding market conditions, the inability to *pro rata* divide any Deliverable Obligation or the failure to obtain any requisite consent with respect to the Delivery of Loans), the Calculation Agent determines in its sole discretion that it is impossible or illegal for the Delivery Agent or the Issuer to deliver, or (as the case may be) for such Noteholder to accept delivery of, any portion of the Deliverable Obligations on the Physical Settlement Date, then on such date:

(a) the Issuer shall, or cause the Delivery Agent to, deliver, and the Noteholder shall take delivery of, that portion of the Deliverable Obligations which it is possible and legal to deliver; and

(b) the Calculation Agent shall provide a description to the Issuer and the relevant Noteholder(s) in reasonable detail of the facts giving rise to such impossibility or illegality and as soon as practicable thereafter the Delivery Agent or, as the case may be, the Issuer shall deliver and the Noteholder shall take delivery of the portion of the Deliverable Obligations which has not been delivered and such date will be deemed to be the Credit Event Redemption Date.

If, upon the determination by the Calculation Agent as aforesaid of the occurrence of any such impossibility or illegality, the Deliverable Obligations are not delivered to the Noteholder(s) (or any of their designees) on or before the Latest Permissible Physical Settlement Date, Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to such portion of the Deliverable Obligations that cannot be delivered (the **Undeliverable Obligations**).

10.5 Partial Cash Settlement of Loans

Where the applicable Final Terms provides that "Assignable Loan" and/or "Consent Required Loan" is/are included in the "Deliverable Obligation Characteristics", if any Assignable Loans or Consent Required Loans are not on the Physical Settlement Date capable of being assigned or novated to any particular Noteholder or the Noteholder's designee due to non-receipt of any requisite consents and such consents are

not obtained or deemed given by the Latest Permissible Physical Settlement Date (together the **Undeliverable Loan Obligations**), Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to that portion of the Deliverable Obligations that consists of Undeliverable Loan Obligations. In such circumstances the Issuer may satisfy its obligations in respect of such portion of the Deliverable Obligations by payment of the Cash Settlement Amount on the Cash Settlement Date.

10.6 Alternative Cash Settlement

If with respect to Physically-Settled Notes, (i) the Deliverable Obligations comprise Bonds, Assignable Loans or Consent Required Loans (the **Deliverable Assets**) and if (ii), in the opinion of the Calculation Agent, any particular Noteholder is not eligible for any reason for Physical Settlement for any part of such Deliverable Assets (the **Non-Eligible Deliverable Assets**), then such Non-Eligible Deliverable Assets will be subject to Cash Settlement pursuant to the Partial Cash Settlement Terms. In such circumstances the Issuer may satisfy its obligations in respect of such Non-Eligible Deliverable Assets by payment to such Noteholder of the Cash Settlement Amount on the Cash Settlement Date.

10.7 No Deliverable Obligations

Where the Issuer is to redeem the Notes by means of Physical Settlement (or by Cash Settlement or in connection with principal protected Credit Linked Notes, in either case when necessary calculations relate to Deliverable Obligations or Deliverable Obligation Characteristics), if a Credit Event occurs with respect to any particular Reference Entity and the Calculation Agent determines in its sole discretion that (a) no Deliverable Obligation exists on the Physical Settlement Date (or the Valuation Date, as the case may be), or (b) the Issuer, or the Delivery Agent on the Issuer's behalf, is for any reason (other than (a) immediately above or as set out in Condition 10.4 or 10.5 above or in the applicable Final Terms), unable to procure any Deliverable Obligations, or a sufficient amount of Deliverable Obligations, by the thirtieth day following the Physical Settlement Date, then the Calculation Agent shall have the right in its sole discretion to either (i) in the case of (a) above, cause all of the Notes to become due and repayable as soon as reasonably practicable at their outstanding Aggregate Nominal Amount (excluding accrued interest) or (ii) in the case of (b) above, either (A) elect Physical Settlement in a *pro rata* fashion for that portion of each Note to the extent that the aggregate amount of Deliverable Obligations due exceeds the aggregate amount of Deliverable Obligations available and elect Cash Settlement for the remaining portion of each Note in accordance with (B) below, or (B) elect that Cash Settlement pursuant to the Partial Cash Settlement Terms shall apply to such Deliverable Obligation (such Deliverable Obligation being deemed an Undeliverable Obligation for these purposes) and the Issuer may satisfy its obligations in respect of such Deliverable Obligation by payment to the Noteholder(s) of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned *pro rata* among the Noteholders.

10.8 Partial Cash Settlement Terms

The following terms are deemed to be defined as follows for the purposes of the Partial Cash Settlement Terms referred to in Conditions 10.4, 10.5, 10.6 and 10.7 above:

(a) **Cash Settlement** is deemed to be the payment by the Issuer of the Cash Settlement Amount to the Noteholders on the Cash Settlement Date;

(b) **Cash Settlement Amount** is deemed to be, for each Undeliverable Obligation or Undeliverable Loan Obligation, the aggregate of the greater of (i) the aggregate of (A) outstanding principal balance, Due and Payable Amount or the amount in the applicable currency, as applicable, of each Undeliverable Obligation or Undeliverable Loan Obligation, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Undeliverable Loan Obligation and (ii) zero;

(c) **Cash Settlement Date** is deemed to be the date that is three Business Days after the calculation of the Final Price or such other date specified in the relevant Final Terms;

(d) **Latest Permissible Physical Settlement Date** means, in respect of Condition 10.4, the date that is 30 calendar days after the Physical Settlement Date and, in respect of Condition 10.5, the date that is 15 Business Days after the Physical Settlement Date;

(e) **Valuation Date** is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date;

(f) **Valuation Method** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be (i) if only one Valuation Date, Highest, or (ii) if more than one Valuation Date, the average Highest, or if "Market" has been designated in the relevant Final Terms, "Market Value" shall apply;

(g) **Quotation Method** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be bid;

(h) **Quotation Amount** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, with respect to each type of Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, an amount equal to the outstanding principal balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Undeliverable Loan Obligation;

(i) **Minimum Quotation Amount** shall be as specified in the applicable Final Terms or shall be deemed to be equal to the applicable Specified Denomination of the Notes;

(j) **Valuation Time** is deemed to be 11.00 a.m. London time, or 11.00 a.m. in the principal trading market of the relevant obligation as determined by the Calculation Agent, unless stated otherwise in the applicable Final Terms;

(k) **Market Value** means, with respect to obligations being valued on a Valuation Date: (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest and lowest values, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; and (v) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained on any of the next ten Business Days thereafter, any one Full Quotation on such tenth Business Day, or if no Full Quotation is obtained, the Market Value shall be the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

(l) **Quotation** means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

(m) **Dealer** means a dealer, financial institution or fund (which, for the avoidance of doubt, shall include the Issuer (in the case of UC as Issuer) or any Affiliate of the Issuer) that deals or invests in obligations of the type of Obligation(s) for which Quotations are to be obtained. The Calculation Agent shall select the Dealers in good faith and in a commercially reasonable manner. Upon a selected Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for

which Quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for one or more of the foregoing. Any bid quotation provided by the Issuer shall be deemed to be a firm quotation that it would provide to a counterparty in the market;

(n) **Highest** means the highest Quotation obtained by the Calculation Agent (or in accordance with the definition of "Quotation") with respect to any Valuation Date; and

(o) **Final Price** means the price of the obligation being valued, expressed as a percentage, determined in accordance with the specified Valuation Method. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, notify the Issuer of each such Quotation that it receives in connection with the calculation of the Final Price and shall provide the Issuer with a written computation showing its calculation of the Final Price.

10.9 Maturity Date extension

Unless otherwise stated in the applicable Final Terms if, prior to any payment date under the Notes: (a) a Potential Failure to Pay has occurred with respect to one or more of the Obligations; (b) under the terms of such Obligation(s), a grace period is applicable to payments under the Obligation(s); and (c) such grace period does not expire on or prior to such payment date under the Notes, then such Interest Payment Date or, as the case may be, the Maturity Date, shall be postponed until the fifth Business Day after such Potential Failure to Pay has been remedied, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if the Potential Failure to Pay has not been remedied during the applicable grace period.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 18 as soon as reasonably practicable should the Maturity Date or any payment date be postponed pursuant to the foregoing.

10.10 Repudiation/Moratorium Maturity Date extension

Unless stated otherwise in the applicable Final Terms if, prior to the Maturity Date under the Notes: (a) "Repudiation/Moratorium" is listed as an applicable Credit Event in the applicable Final Terms; (b) a Potential Repudiation/Moratorium has occurred with respect to one or more of the Obligations; and (c) such Potential Repudiation/Moratorium has not been remedied or rescinded prior to the Maturity Date, then the Maturity Date shall be postponed until the fifth Business Day after such Potential Repudiation/ Moratorium has been remedied or rescinded, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if (i) such Potential Repudiation/Moratorium has not been remedied or rescinded by the sixtieth day after the original Maturity Date (or if the Obligation which is the subject of the Potential Repudiation/Moratorium is a Bond, the later of the sixtieth day or the first payment date under such Bond after the Maturity Date), or (ii) a Restructuring (without regard to the Default Requirement) or a Failure to Pay (determined without regard to the Payment Requirement or any change or amendment to such Obligation as a result of such Restructuring), has occurred with respect to any such Obligation.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 18 as soon as reasonably practicable should the Maturity Date be postponed pursuant to the foregoing.

10.11 Restructuring Credit Event applicable

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, unless otherwise specified in the applicable Final Terms with respect to a specific Reference Entity, the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event. Accordingly, notwithstanding Conditions 10.1 to 10.10 above, where a Restructuring Credit Event has occurred and the Issuer has delivered a Credit Event Notice for an amount that is less than the outstanding Aggregate Nominal Amount of the Notes outstanding immediately prior to the delivery of such Credit Event Notice (the **Exercise Amount**), the provisions of Conditions 10.1 to 10.10 above shall be deemed to apply to a nominal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly. Each such Note shall be redeemed in part (such redeemed part being equal to the resultant figure of the Exercise Amount divided by the number of Notes outstanding).

The Notes shall be deemed to be redeemed *pro rata* in an amount in aggregate equal to the Exercise Amount only. The Notes in an amount equal to the Outstanding Amount shall remain outstanding and interest shall accrue on the Outstanding Amount as provided for in Condition 5 and all references thereafter to Aggregate

Nominal Amount shall be construed accordingly (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

In respect of any subsequent Credit Event Notices delivered:

(a) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Aggregate Nominal Amount of the Notes (and not a portion thereof); and

(b) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the nominal amount is denominated or any integral multiple thereof or the entire then outstanding Aggregate Nominal Amount of the Notes.

If the provisions of this Condition 10.11 apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

If "Restructuring Maturity Limitation and Fully Transferable (if not issued in NGN form) Obligation Applicable" is specified in the applicable Final Terms relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Fully Transferable Obligation and (b) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Conditionally Transferable Obligation and (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

10.12 General

For such period of time after the relevant Physical Settlement Date as the Issuer or any other person (other than a Noteholder) shall continue to be the legal owner of the securities, interests or other assets comprising the Deliverable Obligations (the **Intervening Period**), neither the Issuer nor any other such person shall:

(a) be under any obligation to deliver or procure delivery to such Noteholder(s) or any subsequent beneficial owner of such securities any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such securities; or

(b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities during the Intervening Period; or

(c) be under any liability to such Noteholder(s) or any subsequent beneficial owner of such securities in respect of any loss or damage which such Noteholder(s) or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities during such Intervening Period (including, without limitation, any loss or damage resulting from the failure to exercise any or all rights (including voting rights) attaching to such securities during the Intervening Period).

10.13 Terms relating to Successor Events

(a) **Successor**

(i) Notwithstanding the Definitions, for the purposes of these Conditions, **Successor** means:

(A) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

I. if an entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;

II. if one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event,

and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;

III. if more than one entity each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will be Successors and the Conditions and the Final Terms will be adjusted as provided in paragraph (b) below;

IV. if one or more entities each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will be a Successor and the Conditions and the Final Terms will be adjusted as provided in paragraph (b) below;

V. if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the Conditions and the Final Terms will not be changed in any way as a result of the Succession Event; and

VI. if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of the Relevant Obligations (or, if two or more entities succeed to an equal percentage of the Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of Relevant Obligations) of the Reference Entity will be the sole Successor; and

(B) in relation to a Sovereign Reference Entity, "Successor" means any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

(ii) In the case of paragraph (i)(A) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but not earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)IV above as applicable. In calculating whether the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)VI above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information (as defined below). In the case of Notes listed on a stock exchange, the appropriate documentation will be filed with the relevant stock exchange.

(b) **Adjustments following a Succession Event resulting in more than one Successor**

(i) If, pursuant to paragraph (a)(i)(A)III or IV above, more than one Successor has been identified, then each Note shall be deemed, solely for purposes of the partial redemption provisions set out in this paragraph (b), to be divided into the same number of new Notes (each a New Note) as there are Successors, with the following terms:

(A) each Successor will be the Reference Entity for the purposes of one of the New Notes; and

(B) in respect of each New Note, the principal amount will be the principal amount of the Note divided by the number of Successors.

(ii) If an Event Determination Date occurs in respect of a Reference Entity in relation to a New Note, each Note will be partially redeemed in an amount equal to the principal amount of the relevant

New Note (the aggregate of such principal amounts being the relevant Partial Redemption Amount). In such case, the provisions of this Condition 10 and the other provisions of the Final Terms shall apply to a principal amount of the Notes equal to the Partial Redemption Amount only and all such provisions shall be construed accordingly.

(iii) The Notes, in an amount equal to their outstanding principal amount prior to any such partial redemption less the Partial Redemption Amount, shall remain outstanding (the Principal Amount Outstanding), subject to the Conditions and the Final Terms, which shall otherwise continue in full force and effect, including, without limitation, the accrual of interest on the Principal Amount Outstanding of such Notes as provided in Condition 5 and in the Final Terms (adjusted to reflect the partial redemption under this paragraph (b) and otherwise in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

(iv) For the avoidance of doubt:

(A) notwithstanding the occurrence of a Credit Event in respect of a Reference Entity and partial redemption of the Notes as provided in this paragraph (b), nothing shall prevent the Calculation Agent from delivering a further Credit Event Notice in respect of any Credit Event that may occur in respect of any other Reference Entity; and

(B) the provisions of this Condition 10.13 (as a whole) shall apply to the portion of each Note represented by a New Note in the case of any subsequent Succession Event affecting the relevant Reference Entity.

(v) If the Notes are partially redeemed pursuant to this paragraph (b), each such Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption (if not issued in NGN form).

(vi) The Calculation Agent shall adjust any other of the Conditions and/or the applicable Final Terms as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts any of the Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes in accordance with the Definitions.

(vii) Upon the Calculation Agent determining the identity of more than one Successor in accordance with the provisions of this paragraph (b), the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 18, stating the adjustments it has made to the Conditions and/or the applicable Final Terms (including, *inter alia*, specifying the names of the Successors, setting out the Partial Redemption Amount, and giving brief details of the relevant Succession Event).

(viii) Where:

(A) one or more Successors to the Reference Entity have been identified; and

(B) any one or more such Successors have not assumed the Reference Obligation, a Substitute Reference Obligation will be determined by the Calculation Agent.

Substitute Reference Obligation means, for the purposes of this Condition 10.13, one or more obligations of the Reference Entity (either directly or as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

(A) In the event that (1) a Reference Obligation is redeemed in whole or (2) in the opinion of the Calculation Agent (x) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (y) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding

obligation of such Reference Entity enforceable in accordance with its terms, or (z) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

(B) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then, at the Calculation Agent's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (x) the Issue Date and (y) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent in good faith and a commercially reasonable manner, of the delivery and payment obligations under the Notes and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation(s).

(C) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to the Final Terms, any of the events set forth under subparagraph (A) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines in good faith and in a commercially reasonable manner that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(D) If more than one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth under subparagraph (A) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in good faith and a commercially reasonable manner that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(E) If (1) more than one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth under subparagraph (A) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for any of the Reference Obligations, or (2) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under subparagraph (A) above has occurred with respect to such Reference Obligation and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Scheduled Maturity Date.

(F) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

(ix) In the event that (A) the Guarantor (or any Affiliate thereof) becomes a Successor to any Reference Entity as a result of a Succession Event or (B) the Guarantor (or any affiliate thereof) and any Reference Entity become affiliates, then the Calculation Agent shall in good faith replace such Reference Entity with another entity, which shall constitute a Reference Entity for purposes of these Notes, such replacement Reference Entity being of substantially similar credit quality, ratings, and if reasonably practicable, the same industry classification (as defined by Moody's) as such Reference Entity, that will not cause the implied credit quality of the Notes to change relative to such implied credit quality immediately prior to the day such Succession Event was legally effective, in each case as determined by the Calculation Agent.

(x) For the purposes of this paragraph (b), the following definitions shall apply and, where relevant, shall modify the definitions set out elsewhere in the Conditions and/or the applicable Final Terms:

Best Available Information means:

(A) in the case of a Reference Entity which files information (including unconsolidated, *pro forma* financial information which assumes that the relevant Succession Event has occurred) with its primary securities regulators or primary stock exchange or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, *pro forma* financial information or, if provided subsequently to unconsolidated, *pro forma* financial information but before the Calculation Agent makes its determination for the purposes of this paragraph (b), other information that is contained in any written communication provided by the Reference Entity to its primary securities regulators, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

(B) in the case of a Reference Entity which does not file with securities regulators or a stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (A) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of this paragraph (b).

Information which is made available more than 14 days after the legally effective date of the Succession Event shall not constitute Best Available Information.

Relevant Obligations means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity to which such Relevant Obligations are transferred on the basis of the Best Available Information. If the date on which the Best Available Information is available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

Succession Event means an event such as a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, "Succession Event" shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event.

For the purposes of this Condition 10.13, **succeed** means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to subparagraph (a)(i)(A) above shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

Subsequent to a Succession Event, the Obligation Characteristics and Deliverable Obligation Characteristics of any Successor shall continue to be the same Obligation Characteristics and Deliverable Obligation Characteristics of the relevant predecessor Reference Entity of such Successor, unless the Calculation Agent notifies the Issuer and the Noteholders that the Obligation Characteristics and/or Deliverable Obligation Characteristics have been updated to reflect the then

market standard based upon each such Successor's geographic region of organisation or jurisdiction.

10.14 Definitions

For the purposes of this Condition 10 (unless otherwise specified in the applicable Final Terms or the context otherwise requires):

Assignable Loan means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

Bankruptcy means a Reference Entity: (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) (inclusive);

Bond or Loan means an Obligation which is a Bond or Loan;

Borrowed Money means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

Business Day means a Business Day as defined in Condition 7.2 and, in the case of Notes that the Issuer is to redeem by means of Physical Settlement, for the purposes of the Delivery of Deliverable Obligations, a day in any other jurisdiction on which securities settlement systems are open for settlement of the relevant Deliverable Obligations;

Calculation Agent means the entity designated for such purpose as is specified in the applicable Final Terms;

Cash Settlement Amount means, unless specified otherwise in the applicable Final Terms, for each obligation being valued, being solely the Reference Obligations to the extent Cash Settlement applies, the greater of (a) the aggregate of (i) the outstanding principal balance, Due and Payable Amount or Currency Amount, as applicable, of each such obligation being valued as selected by the Calculation Agent in the Reference Obligation Notice, multiplied by (ii) the Final Price with respect to such obligation and (b) zero;

Cash Settlement Date shall be the date that is three Business Days after the calculation of the Final Price or such other date as is specified in the applicable Final Terms;

Conditionally Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation

other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition;

Consent Required Loan means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

Credit Event means any one or more of the events specified as such in the applicable Final Terms;

Credit Event Redemption Date means: (a) in the case of Cash Settlement, the Cash Settlement Date; (b) in the case of Physical Settlement, the Physical Settlement Date; or (c) if Physical Settlement applies but on the Physical Settlement Date some or all of the Deliverable Obligations specified in the Notice of Physical Settlement cannot be delivered for any reason as set out in Conditions 10.4, 10.5, 10.6 and 10.7 above, the Partial Cash Settlement Terms (as set out in Condition 10.8) will apply. In such case: (i) if all such Deliverable Obligations cannot be delivered as aforementioned, the Credit Event Redemption Date will be the Cash Settlement Date (as defined in Condition 10.8); or (ii) if only some of such Deliverable Obligations cannot be delivered as aforementioned, the Credit Event Redemption Date for all such Deliverable Obligations shall be the later of (A) the Cash Settlement Date that applies to such Deliverable Obligations that cannot be delivered as aforementioned, and (B) the Physical Settlement Date for such Deliverable Obligations which can be delivered;

Default Requirement means the amount specified as such in the applicable Final Terms, and if none is specified, the amount will be US$10,000,000 or the equivalent in any other currency;

Deliverable Obligation means:

(a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar entity if such entity is a Reference Entity) or, if "All Guarantees" is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 10.1(b)(i)-(iv) or right of set-off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(b) subject to the second sentence in the definition of "Not Subordinated", each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 10.1(b)(i)-(iv)) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

(d) any other obligation of a Reference Entity specified as such in the applicable Final Terms, provided that:

(i) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Fully Transferable Obligation, and (B) has a final maturity date not later than the Restructuring Maturity Limitation Date; and

(ii) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" are specified as applicable in the applicable Pricing Circular Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Conditionally Transferable Obligation, and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

If the term "Deliverable Obligation" is to apply to Notes to be redeemed by the Issuer by means of Cash Settlement, references to "Delivery Date" shall be deemed to be references to "Valuation Date".

The Deliverable Obligations to be delivered by the Issuer to the Noteholders shall have an outstanding principal balance (excluding accrued interest) equal to the outstanding Aggregate Nominal Amount of the Notes, subject to Condition 10.7 above;

Delivery Agent means the entity designated for such purpose as specified in the applicable Final Terms;

Delivery Date means, with respect to a Deliverable Obligation, the date on which such Deliverable Obligation is delivered;

Due and Payable Amount means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date or Valuation Date, as applicable, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

Event Determination Date means, in respect of any Credit Event, the first date on which the related Credit Event Notice and, if specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are effective in accordance with the Conditions;

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 Price means the price, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms;

Full Quotation means each firm bid quotation obtained from a Dealer;

Fully Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

Hedge Amount means an amount equal to the aggregated net gain or loss to the Issuer associated with any interest rate and/or currency transactions or deposits or other hedging transactions in connection with the Notes which have been terminated, novated or otherwise amended due to the early redemption of the Notes,

including without limitation losses and costs (or gains) in respect of any payment required to have been made, any loss of bargain or cost of funding, in each case as determined by the Calculation Agent;

London Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London;

Modified Restructuring Maturity Limitation Date means, with respect to a Deliverable Obligation, the date that is the later of (a) the Maturity Date and (b) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations;

Multiple Holder Obligation means an Obligation (a) that at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two thirds is required to consent to the event which constitutes a Restructuring Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b);

Notice Delivery Period means the period from and including the Issue Date to and including the Maturity Date;

Notice of Physical Settlement means an irrevocable notice from the Issuer confirming that the Issuer will deliver the Deliverable Obligations to the Noteholder and containing a detailed description of the type of Deliverable Obligations that the Issuer reasonably expects to Deliver, which may be amended to the extent that the Calculation Agent determines that it is impracticable to Deliver such Deliverable Obligations;

Notice of Publicly Available Information means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer and the Principal Paying Agent that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. The notice given must contain a copy or a description in reasonable detail of the relevant Publicly Available Information. If Notice of Publicly Available Information is a Condition to Settlement in the Final Terms and a Credit Event Notice cites Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information;

Not Subordinated means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (i) the Issue Date and (ii) the date on which such Reference Obligation was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such later date;

Obligation means (a) any obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar entity if such entity is a Reference Entity) or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) described in the Obligation Category and having the Obligation Characteristics specified in the applicable Final Terms, (b) each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Obligation, and (c) any other obligation of the Reference Entity specified in the applicable Final Terms;

Obligation Acceleration means one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

Obligation Currency means the currency or currencies in which an Obligation is denominated;

Obligation Default means one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) have become capable of being declared due and payable before they would otherwise have been due and payable as a result of the occurrence of a default, event of default or other similar

condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

Outstanding Amount means, where Notes have been redeemed *pro rata* in an amount equal to the Exercise Amount following the occurrence of a Restructuring Credit Event, the amount of Notes remaining after such redemption, being equal to the outstanding Aggregate Nominal Amount of the Notes prior to such redemption less the Exercise Amount;

Payment Requirement means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if Payment Requirement is not so specified, U.S.$1,000,000 or its equivalent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

Permitted Currency means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership); or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's or any successor to the rating business thereof, or AAA or higher assigned to it by Fitch or any successor to the rating business thereof;

Physical Settlement means delivery of the Deliverable Obligations in accordance with Condition 10.2 above and Condition 19;

Physical Settlement Date means the date which is specified as such in the applicable Final Terms;

Potential Failure to Pay means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligation, in accordance with the terms of such Obligations at the time of such failure;

Potential Repudiation/Moratorium means the occurrence of an event described in part (a) of the definition of "Repudiation/Moratorium";

Qualifying Policy means (a) a financial guarantee insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all interest and principal payments (which may exclude certain default interest and indemnities) of an instrument that constitutes Borrowed Money for which another party (including a special purpose entity or trust) is the obligor, and (b) an Obligation and Deliverable Obligation (which, for the avoidance of doubt, must satisfy the relevant Deliverable Obligation Characteristics in respect of the relevant Reference Entity). In each case a Reference Entity is a monoline insurance company, notwithstanding the relevant Final Terms;

Quotation means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date as follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers, and if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which the firm quotations were not obtained on such day;

Reference Entity or **Reference Entities** means each entity specified in the applicable Final Terms, and any successor thereof as determined by the Calculation Agent or otherwise in accordance with the terms of the Final Terms;

Reference Obligation means any obligation specified as such or of a type described in the applicable Final Terms and any Substitute Reference Obligation;

Reference Obligation Notice means an irrevocable notice from the Issuer sent not later than 30 calendar days following the relevant Event Determination Date that includes a description of the Reference Obligation(s) to be used for valuation of the Cash Settlement Amount as follows:

(a) title or designation;

(b) maturity date; and

(c) in the case of a Bond, the ISIN or CUSIP number;

Reference Period means the period from and including the Issue Date until and including the Scheduled Termination Date (without prejudice to Conditions 10.9 and 10.10) or such other period as is specified in the applicable Final Terms;

Reference Price means the price specified as such in the applicable Final Terms, and if none is specified, 100 per cent.;

Repudiation/Moratorium means the occurrence of both of the following events: (a) an authorised officer of a Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement (if any), or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement (if any) and (b) a Failure to Pay, determined without regard to the Payment Requirement or any change or amendment to any such Obligation as a result of (ii) above, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium;

Restructured Bond or **Loan** means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred;

Restructuring means:

(a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement (if any), any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation, or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred:

    (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

    (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

    (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;

    (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

(b) Notwithstanding the above, none of the following shall constitute a Restructuring: (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union; (ii) the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a)(i)-(v) above due to any administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and (iii) the occurrence of, agreement to or announcement of any of the events described in subparagraph (b) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

(c) For purposes of (a) and (b) above and (d) below, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) shall continue to refer to the Reference Entity.

(d) Unless Multiple Holder Obligation is specified as not applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in (a)(i)-(v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation;

Restructuring Date means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

Restructuring Maturity Limitation Date means the date that is the earlier of (a) 30 months following the Restructuring Date and (b) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Maturity Date or later than 30 months following the Maturity Date, and if it is, it shall be deemed to be the Maturity Date or 30 months following the Maturity Date, as the case may be;

Scheduled Termination Date means the last day of the Reference Period;

Sovereign means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject as set out in the definition of "Deliverable Obligation Category", having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring;

Valuation Date means the date specified in the applicable Final Terms;

Valuation Time means the relevant time specified in the applicable Final Terms; and

Weighted Average Quotation means the weighted average of firm bid quotations obtained from the Dealers.

The capitalised terms used herein and not otherwise defined herein or in the applicable Final Terms have the meanings set out in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to such Definitions and the Credit Derivatives Physical Settlement Matrix published on 7 March, 2005 by the International Swaps and Derivatives Association, Inc. (the **2005 Matrix**), published by the International Swaps and Derivatives Association, Inc. (in each case as supplemented or amended in the applicable Final Terms), save that any references in such definitions to the **related Confirmation** shall be deemed to refer instead to the **applicable Final Terms**, references to the **Credit Derivative Transaction** shall

be deemed to refer instead to the **Notes**, references to the **Buyer** shall be deemed to refer instead to the **Issuer**, and references to the **Seller** shall be deemed to refer instead to the **Noteholder(s)**.

In the case of Credit Linked Notes which are to be redeemed by Physical Settlement, the provisions of Condition 19 below shall apply if so specified (with such modifications, if any, as may be provided) in the applicable Final Terms.

11. TAXATION

All payments of principal and interest (including any Arrears of Interest and Default Interest) in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantor (in the case of Guaranteed Notes) will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that:

(a) (in respect of payments by the Parent) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April, 1996 or, for the avoidance of doubt, Italian Legislative Decree No. 461 of 21 November, 1997 (as amended by Italian Legislative Decree No. 201 of 16 June, 1998) (as any of the same may be amended or supplemented) or any related implementing regulations; and

(b) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

(i) by, or on behalf of, a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note; or

(ii) by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or

(iii) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day (assuming such day to have been a Payment Day as defined in Condition 8.6); or

(iv) (in the case of Guaranteed Notes and Notes issued by UniCredit) in the Republic of Italy; or

(v) (in the case of Notes issued by UniCredit Ireland) in Ireland;

(vi) (in respect of payments by UniCredit) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non–Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; and

(vii) (in respect of payments by UniCredit) in all circumstances in which the procedures set forth in Legislative Decree No. 239 of 1 April, 1996, as amended, have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the actions or omissions of UniCredit or its agents;

(viii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;

(ix) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note/Coupon to another Paying Agent in a Member State of the European Union; or

(x) where the holder who would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements.

As used herein:

(A) **Tax Jurisdiction** means (I) (in the case of payments by UniCredit) the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax and (II) (in the case of payments by UniCredit Ireland) the Republic of Ireland or any political subdivision or any authority thereof or therein having power to tax, or any political subdivision or any authority thereof or therein having power to tax, or in any such case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the relevant Issuer or the Guarantor (in the case of Guaranteed Notes), as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts and Coupons; and

(B) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 18.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 11 or under any obligation undertaken in addition thereto or in substitution therefor pursuant to the Trust Deed.

Without prejudice to the above provisions, in the event that Notes issued by UniCredit are redeemed prior to eighteen months from the Issue Date, UniCredit will be required to pay an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption. Such payment will be made by UniCredit and will not affect the amounts to be received by the Noteholders by way of interest or other amounts, if any, under the Notes.

12. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 11) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 8.2 or any Talon which would be void pursuant to Condition 8.2.

13. EVENTS OF DEFAULT

13.1 Events of Default relating to Senior Notes

This Condition 13.1 applies only to Notes specified in the applicable Final Terms as being Senior Notes.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one quarter in principal amount of the Notes then outstanding, or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders), shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction), (but, in the case of the happening of any of the events mentioned in paragraphs (b) to (e) and (g), (h), (i) and (k), only if the Trustee shall have certified in writing to the Issuer and the Guarantor (in the case of Guaranteed Notes) that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer and, in the case of the Guaranteed Notes, the Guarantor that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) if default is made in the payment of any principal, premium (if any) or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or premium or 14 days in the case of interest; or

(b) if the Issuer or, in the case of Guaranteed Notes, the Guarantor fails to perform or observe any obligation or provision binding on it under the Notes or the Trust Deed (other than any obligation for payment of any principal, premium (if any) or interest in respect of the Notes) and, except where, in the opinion of the Trustee, such default is not capable of remedy (in which case the Notes will become due and repayable subject to, and immediately upon, the Trustee certifying and giving notice as aforesaid), such default continues for 30 days (or such longer period as the Trustee may permit) after written notice thereof by the Trustee to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or

(c) one or more final judgment(s) or order(s), not being susceptible to appeal, for the payment of any amount of indebtedness (being an amount of indebtedness which is material in the context of the Issuer or (in the case of Guaranteed Notes) the Guarantor) is rendered by a court of competent jurisdiction against the Issuer or (in the case of Guaranteed Notes) the Guarantor and continue(s) unsatisfied and unsteady for a period of 30 days after the date(s) thereof or, if later, the date therein specified for judgment; or

(d) the Issuer or (in the case of Guaranteed Notes) the Guarantor shall be adjudicated or found bankrupt or insolvent or shall stop or threaten to stop payment or shall be found unable to pay its debts, or any order shall be made by any competent court or administrative agency for, or any resolution shall be passed by the Issuer or (in the case of Guaranteed Notes) the Guarantor for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or, as the case may be, the Guarantor or all or substantially all of its assets; or

(e) (in the case of Notes issued by UniCredit) the Issuer or (in the case of Guaranteed Notes) the Guarantor becomes subject to an order for *Liquidazione coatta amministrativa* (within the meaning ascribed to that expression by the Italian Banking Act and the other laws of the Republic of Italy); or

(f) the Issuer or (in the case of Guaranteed Notes) the Guarantor shall be wound up, liquidated or dissolved (otherwise than for the purposes of an amalgamation, merger, reconstruction or reorganisation on terms previously approved in writing by the Trustee or an Extraordinary Resolution of the Noteholders); or

(g) the Issuer or (in the case of Guaranteed Notes) the Guarantor shall cease to carry on business or threaten to cease to carry on all or substantially all of its business (otherwise than for the purposes of an amalgamation, merger, reconstruction or reorganisation on terms previously approved in writing by the Trustee or an Extraordinary Resolution of the Noteholders); or

(h) if (i) proceedings are initiated against the Issuer or (in the case of Guaranteed Notes) the Guarantor under any applicable liquidation, insolvency, composition, examination, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator, examiner or other similar official is appointed, in relation to the Issuer or (in the case of Guaranteed Notes) the Guarantor or, as the case may be, in relation to all or substantially all of the undertaking or assets of any of them, or an encumbrancer takes possession of all or substantially all of the undertakings or assets of either of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the undertakings or assets of either of them and (ii) in any case is not discharged within 30 days (or such longer period as the Trustee may approve); or

(i) if either (i) any indebtedness for Borrowed Money in excess of €35,000,000 (or its equivalent in any other currency or currencies) of the Issuer or (in the case of Guaranteed Notes) the Guarantor shall become repayable prior to the due date for payment thereof by reason of default by the Issuer or, as the case may be, the Guarantor or shall not be repaid at maturity as extended by any applicable grace period therefor and, in either case, steps shall have been taken to obtain repayment, or (ii) any guarantee given by the Issuer or (in the case of Guaranteed Notes) the Guarantor of any indebtedness for Borrowed

Money in excess of €35,000,000 (or its equivalent in any other currency or currencies) shall not be honoured when due and called; or

(j) (in the case of Guaranteed Notes) the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or

(k) any event occurs which, under the laws of the jurisdiction of incorporation of the Issuer or (in the case of Guaranteed Notes) the Guarantor, has an analogous effect to any of the events referred to in paragraphs (d), (f), (g) and (h) above.

13.2 Events of Default relating to Subordinated Notes

This Condition 13.2 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction) give notice to UniCredit or UniCredit Ireland, as the case may be, that the Notes are, and shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount plus accrued interest as provided in the Trust Deed, in case of Subordinated Notes issued by UniCredit in the event that UniCredit shall become subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of 1 September, 1993 of the Republic of Italy (as amended from time to time) and in case of UniCredit Ireland Subordinated Notes, in the event that:

(a) UniCredit Ireland is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts, or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of UniCredit Ireland; or

(b) proceedings are started for the examination, winding-up, dissolution, administration or reorganisation (otherwise than while solvent) of UniCredit Ireland or for the appointment of a receiver, trustee, examiner or similar officer to UniCredit Ireland or any or all of its revenues and assets; or

(c) an order is made or an effective resolution passed for the winding-up or dissolution of UniCredit Ireland.

14. ENFORCEMENT

14.1 Subject (in the case of Subordinated Notes issued by UniCredit) to paragraph 14.2 below, the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the obligations of the Issuer and/or the Guarantor under the Trust Deed or the Notes, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed as aforesaid, fails so to do within a reasonable time and such failure is continuing.

14.2 This Condition 14.2 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes issued by UniCredit.

Proceedings for the winding-up or liquidation of UniCredit may only be initiated in the Republic of Italy (and not elsewhere), by the Trustee on behalf of the Noteholders, in accordance with the laws of the Republic of Italy (except for the purposes of an Approved Reorganisation).

In these Conditions, **Approved Reorganisation** means a solvent and voluntary reorganisation involving, alone or with others, UniCredit and whether by way of consolidation, amalgamation, merger, transfer of all or part of any business or assets, or otherwise, provided that the principal resulting, surviving or

transferee entity which is a banking company effectively assumes all the obligations of UniCredit under, or in respect of, the Notes and, in the case of Guaranteed Notes, the Guarantee.

15. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or the Paying Agent in Luxembourg (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

16. AGENTS

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Paying Agent (which may be the Principal Paying Agent), having a specified office in a Member State of the European Union other than the jurisdiction in which the Issuer or the Guarantor (as the case may be) is incorporated, and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange, the competent authority or other relevant authority;

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent; and

(d) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and Noteholders in accordance with Condition 18.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor (in the case of the Guaranteed Notes) and, in certain circumstances specified in the Agency Agreement and the Trust Deed, of the Trustee, and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

17. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon Principal Paying (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12.

18. NOTICES

18.1 Notes other than Credit Linked Notes

All notices regarding the Bearer Notes will be deemed to be validly given if published and for so long as the Bearer Notes are listed on the Luxembourg Stock Exchange, in accordance with the rules and regulations of the Luxembourg Stock Exchange (which includes publications on the website of the Luxembourg Stock

Exchange (*www.bourse.lu*)) or in a daily newspaper of general circulation in Luxembourg, which is expected to be *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first-class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

18.2 Credit Linked Notes

Notwithstanding the provisions of Condition 18.1 above, so long as the Notes, being Credit Linked Notes, are represented by a Global Note held in its entirety on behalf of DTC and/or Euroclear and/or Clearstream, Luxembourg, all notices to the Noteholders may be given by delivery of such notices to DTC and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given on the day on which such notice was given to DTC and/or Euroclear and/or Clearstream, Luxembourg.

Notwithstanding as aforesaid, for so long as any such Notes are listed on the Luxembourg Stock Exchange, all notices regarding such Notes shall be deemed to be validly given if published in a daily newspaper of general circulation in Luxembourg or on the Luxembourg Stock Exchange website (*www.bourse.lu*). It is expected that such publication will be made in the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. Any such notice will be deemed to have been given on the date of the first publication in the required newspaper.

Subject to the requirement of the rules of the Luxembourg Stock Exchange, until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of DTC and/or Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given on the first DTC and/or Euroclear and/or Clearstream, Luxembourg business day after the day on which such notice was given to DTC and/or Euroclear and/or Clearstream, Luxembourg.

If the Global Note is exchanged for definitive Notes, as a condition to such exchange, the relevant Noteholder will be required to give to the Issuer an address to which notices concerning the Note may be validly given. Upon any transfer of the definitive Notes, the new holder of the definitive Notes must provide to the Issuer at its specified office an address to which notices concerning the definitive Note may be validly

given. Until the Issuer is informed of any new address as aforesaid it shall be entitled to deliver notices concerning the definitive Note to the last address notified to it as aforesaid, and any notice so given shall be deemed validly given notwithstanding that the definitive Note may have been transferred. Any such notice shall be deemed to have been given on the day when delivered or, if delivered after 5.00 p.m. on a business day or on a day other than a business day, on the next following business day in the place of delivery.

19. PHYSICAL SETTLEMENT

19.1 Procedure by Noteholders

If any Credit Linked Note falls to be redeemed and Physical Settlement is specified to apply in the applicable Final Terms, any delivery shall be in accordance with any applicable securities laws.

In order to receive the Deliverable Obligations, as defined in the applicable Final Terms (in the case of Credit Linked Notes) (the **Physical Settlement Amount**), the relevant Noteholder shall, at least ten Business Days (as defined in Condition 7.2), or such other period as may be specified in the applicable Final Terms, prior to the Credit Event Redemption Date, as the case may be, (as specified in the applicable Final Terms), deliver to any Paying Agent or Registrar, as the case may be, the Global Note or the definitive Note (which expression shall, for the purposes of this Condition 19, include Receipt(s) and, if applicable, all unmatured Coupons, in accordance with the provisions of Condition 7) together with:

(a) for so long as the Notes are represented by a Global Note, a notice to DTC and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, with a copy to any Paying Agent or the Registrar, as the case may be, and the Issuer, via the EUCLID System (a **EUCLID Notice**) or by such other appropriate means as shall be specified in the applicable Final Terms; or

(b) if the Note is in definitive form, a completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (the **Asset Transfer Notice**) (a copy of which may be obtained from the specified office of any of the Paying Agents) with a copy to the Issuer.

(c) A EUCLID Notice, Asset Transfer Notice or other form of notice specified in the applicable Final Terms, or as the case may be, is referred to herein as a Notice.

(d) The EUCLID Notice referred to above must:

  (i) specify the name and address of the relevant Noteholder and the person from whom the Delivery Agent may obtain details for the delivery of the Physical Settlement Amount;

  (ii) specify the number of Notes which are the subject of such notice and the number of the Noteholder's account at DTC, Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes;

  (iii) irrevocably instruct and authorise DTC, Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Noteholder's account with such Notes on the Credit Event Redemption Date;

  (iv) provide the Noteholder's Certification that it is not a U.S. person or a person within the United States (as such terms are defined in Regulation S under the Securities Act); and

  (v) authorise the production of such notice in any applicable administrative or legal proceedings.

(e) The Asset Transfer Notice referred to above must:

  (i) specify the name and address of the person from whom the Delivery Agent may obtain details for delivery of the Physical Settlement Amount;

  (ii) authorise the production of such notice in any applicable administrative or legal proceedings; and

  (iii) provide the Noteholder's Certification that it is not a U.S. person or a person within the United States (as such terms are defined in Regulation S under the Securities Act).

  (iv) No Notice may be withdrawn after receipt thereof by DTC, Euroclear or Clearstream, Luxembourg or the Issuer, as the case may be.

(f) After delivery of such Notice, the relevant Noteholder may not transfer the Notes which are the subject of such Notice and no transfers of the Notes specified therein represented by a Global Note will be effected by DTC and/or Euroclear and/or Clearstream, Luxembourg.

(g) Failure properly to complete and deliver a Notice may result in such Notice being treated as null and void. Any determination as to whether a notice has been properly completed and delivered as provided in this Condition 19.1 shall be made by DTC, Euroclear or Clearstream, Luxembourg or the Issuer, as the case may be, after consultation with the Delivery Agent and shall be conclusive and binding on the Issuer and the relevant Noteholder.

19.2 Procedure by the Issuer and others

Upon receipt of a duly completed Notice and (in the case of Notes in definitive form) the Definitive Note to which such Notice relates, the relevant Paying Agent or the Registrar, as the case may be, DTC, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the accountholder is the holder of the Notes referred to therein according to its books.

Subject as provided herein, in relation to each Note, the Physical Settlement Amount will be delivered at the risk of the relevant Noteholder in such commercially reasonable manner as the Delivery Agent shall, in its sole discretion, determine to be appropriate for such delivery on the due date for redemption for the Notes, provided that the relevant Note in definitive form and the Notice are delivered not later than the close of business in Luxembourg on the day (the **Notice Cut-Off Date**) which is five Business Days before the due date for redemption of the Notes.

19.3 Delay or Failure to Deliver Notice

If the relevant Note in definitive form and the Notice are delivered to the Issuer later than close of business on the Notice Cut-Off Date, then the Physical Settlement Amount will be delivered (but without prejudice to the provisions of the applicable Final Terms) as soon as practicable after the due date for redemption of the Notes, at the risk of such Noteholder.

For the avoidance of doubt, such Noteholder shall not be entitled to any payment or other assets, whether of interest or otherwise, in the event of the delivery of the Physical Settlement Amount falling after the due date for redemption of the Notes pursuant to the provisions of this Condition 19 or otherwise due to circumstances beyond the control of the Issuer.

If the relevant Noteholder fails to deliver a Notice in the manner set out in these Conditions or delivers a Notice on any day falling after the day that is 180 calendar days after the Notice Cut-Off Date or, in the case of Notes in definitive form, fails to deliver the definitive Note related thereto or fails to pay the expenses referred to in Condition 19.4, the Issuer shall be discharged from its obligation in respect of such Note and shall have no further obligation or liability whatsoever in respect thereof.

19.4 Costs and Expenses

All expenses including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties (together **Delivery Expenses**) arising from the delivery and/or transfer of the Physical Settlement Amount shall be for the account of the relevant Noteholder and no delivery and/or transfer of the Physical Settlement Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Delivery Agent by the relevant Noteholder.

19.5 Fractional Entitlement

If the Physical Settlement Amount comprises less than a whole number of securities at the relevant time, then (a) the Issuer shall not deliver and the relevant Noteholder shall not be entitled to receive in respect of its Notes that fraction of a security (the **Fractional Entitlement**) and (b) the Issuer shall pay to the relevant Noteholder a cash amount (to be paid at the same time as the securities comprising the Physical Settlement Amount) equal to the value (as determined by the Calculation Agent in its sole and absolute discretion) of such fraction of the relevant security, and such cash amount shall be deemed a part of the Physical Settlement Amount for the purposes of these Terms and Conditions.

19.6 Delivery at risk of Noteholder

Delivery of the Physical Settlement Amount by the Issuer to the Noteholder shall be at the risk of the Noteholder and no additional payment or delivery will be due to a Noteholder where the Physical Settlement Amount is delivered after its due date in circumstances beyond the control of either the Issuer or the Delivery Agent.

19.7 No further liability of Issuer

After delivery of the Physical Settlement Amount by the Issuer to a Noteholder pursuant to this Condition, but prior to the time when the Noteholder (or his designee) becomes registered as a holder of the relevant underlying security (the **Intervening Period**), neither the Issuer nor its agent or nominee shall (a) be under any obligation to deliver to such Noteholder or any subsequent beneficial owner of such relevant underlying security any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or its agent or nominee in its capacity as the registered holder of such relevant underlying security, (b) exercise any or all rights (including voting rights) attaching to such relevant underlying security during the Intervening Period without the prior written consent of the relevant Noteholder, provided that neither the Issuer nor its agent or nominee shall be under any obligation to exercise any such rights during the Intervening Period, or (c) be under any liability to such Noteholder or any subsequent beneficial owner of such relevant underlying security in respect of any loss or damage which such Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of the Issuer or its agent or nominee being registered during such Intervening Period as legal owner of such relevant underlying security.

20. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor (in the case of the Guaranteed Notes) or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do; or

(b) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall, unless the Trustee agrees otherwise, be notified to the Noteholders in accordance with Condition 18 as soon as practicable thereafter.

Without prejudice to the aforementioned discretions, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution at any time or times of any successor company (as defined in the Trust Deed) of the Issuer or any subsidiary or holding company of the Issuer or any successor company to such successor company, as the principal debtor under the Trust Deed and the Notes. Such agreement shall be subject to the relevant provisions of the Trust Deed, including (except where a successor company of the Issuer is the new principal debtor) the irrevocable and unconditional guarantee of the Notes by the Issuer and, in the case of Guaranteed Notes (except where the Guarantor is the new

principal debtor), the irrevocable and unconditional guarantee of the Notes by the Guarantor. The Trustee may also agree without the consent of the Noteholders, the Receiptholders or the Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed and to the substitution (in the case of Guaranteed Notes) of any successor company of the Guarantor or any subsidiary or holding company of the Parent as the guarantor in respect of Guaranteed Notes. Any such addition shall be subject to the relevant provisions of the Trust Deed and to such amendment thereof and such other conditions as the Trustee may require. In the case of any proposed substitution or addition, the Trustee may agree, without the consent of the Noteholders, the Receiptholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons and/or the Trust Deed provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interest of the Noteholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, substitution or change of law as aforesaid), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders, whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders, (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 11 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 11 pursuant to the Trust Deed.

21. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured to its satisfaction and to be paid to its costs and expenses in priority to the claims of the Noteholders.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or the Guarantor and/or any of the Issuer's other subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and or the Guarantor and/or any of the Issuer's other subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

22. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon so that the same shall be consolidated and form a single Series with the outstanding Notes.

The Issuer may from time to time, with the prior written consent of the Trustee, create and issue other series of Notes having the benefit of the Trust Deed. The Trust Deed contains provisions for and governs the convening of a single meeting of the Noteholders and the holders of bearer or registered notes of other Series in certain circumstances where the Trustee so decides.

23. REPRESENTATIONS AND ACKNOWLEDGEMENTS (CREDIT LINKED NOTES)

EACH NOTEHOLDER (BEING IN THE CASE OF NOTES HELD BY A NOMINEE OR HELD IN A CLEARING SYSTEM, THE BENEFICIAL OWNER OF THE NOTES), BY SUBSCRIBING OR PURCHASING THE NOTES OR AN INTEREST IN THE NOTES, CONFIRMS THAT ALL OF THE FOLLOWING STATEMENTS WITH RESPECT TO THAT NOTEHOLDER ARE TRUE AND CORRECT ON THE DATE OF THE SUBSCRIPTION OR PURCHASE OF THE NOTES AND ACKNOWLEDGES

THAT THE ISSUER HAS RELIED ON SUCH CONFIRMATION AND UNDERSTANDING IN ISSUING THE NOTES:

(a) The Noteholder has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Issuer.

(b) The Noteholder's purchase of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies with and is fully consistent with all investment policies, guidelines and restrictions applicable to it, and (iii) is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

(c) Except for the publication of the Prospectus dated 19 November, 2008 (the **Prospectus**), the Noteholder has not relied, and will not at any time rely, on the Issuer or any other member of the UniCredit Group of companies (the **Group**) in connection with its determination as to the legality or the associated merits or risks of its purchase of the Notes or as to the other matters referred to in paragraph (b) above, or to provide it with any information relating to, or to keep under review on its behalf, the business, financial condition, prospects, creditworthiness, status or affairs of the Issuer.

(d) The Noteholder has sufficient knowledge and experience in financial and business matters and has taken sufficient independent professional advice to make its own evaluation of the merits and risks of investment in the Notes and is not relying on either the views or advice of, or any information with respect to, the Issuer provided by the Issuer (except for any views or advice of, or information with respect to, the Issuer contained in the Prospectus) and/or any other member of the Group in that regard.

(e) The Noteholder's purchase of the Notes is lawful under the laws of the jurisdiction of its incorporation and the jurisdiction in which it operates (if different), and that such purchase will not contravene any law, regulation or regulatory policy applicable to it.

(f) The Noteholder acknowledges that the Issuer is not an agent of the Noteholder for any purpose.

(g) The Noteholder (except where the Noteholder is acting as dealer appointed under the Programme) is purchasing the Notes as principal for its own account, and/or for the account of its clients for whom the Noteholder is acting as an authorised representative, for either investment, financial intermediation, hedging or other commercial purposes and not with a view to, or for resale in connection with, any distribution or any disposition thereof, and no other person, other than the Noteholder and/or such clients, has or will have a direct or indirect beneficial interest in the Notes, other than by virtue of such person's direct or indirect beneficial interest in the Noteholder and/or such clients.

(h) Having been sent the Final Terms with respect to the Notes on or prior to the issue date, the initial Noteholder of the Notes has read the Final Terms and, having been given an opportunity to comment on the Final Terms, it understands the terms and conditions of the Notes and, in particular, those provisions relating to redemption, and it shall be bound by and deemed to have notice of the terms and conditions of the Notes.

In addition:

(i) The Noteholder has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Reference Entity, and its own independent appraisal of the Reference Obligation. The Noteholder acknowledges that the amount of principal to be repaid on the Maturity Date may be less than the stated principal amount of the Notes and may even be zero.

(j) The Noteholder has not relied, and will not at any time rely, on the Issuer or any other member of the Group (i) to provide it with any information relating to, or to keep under review on its behalf, the business, financial condition, prospects, creditworthiness, status or affairs of the Reference Entity or conduct any investigation or due diligence with respect to the Reference Entity or the Reference Obligation or (ii) to determine whether or not at the date hereof a Credit Event or an event or circumstance which, with the giving of notice or the passage of time or both, could constitute a Credit Event has occurred.

(k) In issuing the Notes, the Issuer is not making, and has not made, any representation whatsoever as to the Reference Entity, the Reference Obligation or any information contained in any document filed by the Reference Entity with any exchange or with any government entity regulating the purchase and sale of securities.

(l) The Noteholder acknowledges that the Notes are not and do not represent or convey any interest in the Reference Obligation, nor a direct or indirect obligation of the Reference Entity owing to the Noteholder, and that the Issuer is not an agent of the Noteholder for any purpose.

(m) The Issuer and each company in the Group may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, the Reference Entity or its affiliates or any other person or entity having obligations relating to the Reference Entity or the Reference Obligation, and may act with respect to such business freely and without accountability to the Noteholder in the same manner as if the Notes did not exist, regardless of whether any such action might have an adverse effect on the Reference Obligations, the Reference Entity or such Noteholder.

(n) The Issuer and each company in the Group may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to the Reference Obligations or the Reference Entity which is or may be material in the context of the Notes and which is not or may not be known to the general public or the Noteholder. The Notes do not create any obligation on the part of the Issuer or any company in the Group to disclose to the Noteholder any such relationship or information (whether or not confidential) and neither the Issuer nor any other company in the Group shall be liable to the Noteholder by reason of such non-disclosure.

(o) The Noteholder acknowledges that the terms of the Notes are binding upon it, irrespective of the existence or amount of the Issuer's, the Noteholder's or any person's credit exposure to the Reference Entity, and the Issuer need not suffer any loss or provide evidence of any loss as a result of the occurrence of a Credit Event.

(p) The Noteholder acknowledges and agrees to abide by the transfer restrictions on transfers of the Notes set forth in the section of the Prospectus entitled "*Subscription and Sale and Transfer and Selling Restrictions*". The Noteholder further acknowledges that it will fully bear any financial or other liability arising from any breaches by it or its agents of such restrictions.

24. GOVERNING LAW AND SUBMISSION TO JURISDICTION

24.1 Governing law

The Trust Deed, the Agency Agreement, the Guarantee, the Notes (except for Condition 5), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law. Conditions 5.1 to 5.4 and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, Italian law. Conditions 5.5 to 5.7 and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, the laws of Ireland.

24.2 Submission to jurisdiction

The Trustee, the Issuer and (in the case of Guaranteed Notes) the Guarantor each agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with them) and that accordingly (subject, in the case of Subordinated Notes, to the provisions of Condition 14.2) any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

The Issuer and (in the case of Guaranteed Notes) the Guarantor each hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum, and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer or (in the case of Guaranteed Notes) the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

24.3 Appointment of Process Agent

The Issuers and (in the case of the Guaranteed Notes) the Guarantor appoint UniCredit S.p.A., London Branch at its office at Moor House, 120 London Wall, London, EC2Y 5ET or, if different, its principal office for the time being in London as its agent for service of process in England in respect of Proceedings. Nothing herein shall affect the right to serve Proceedings in any other manner permitted by law.

24.4 Non-exclusivity

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder, Receiptholder or Couponholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Description of UniCredit and the UniCredit Group

UniCredit S.p.A. (**UniCredit**), established in Genoa by way of a private deed dated 28 April, 1870 with an expiry date of 31 December, 2050, is incorporated as a company limited by shares and registered in the Rome Trade and Companies Register, having its registered office at Via A. Specchi, 16, 00186, Rome, Italy and having registration number, fiscal code and VAT number 00348170101. UniCredit's head office and principal centre of business is at Piazza Cordusio 2, 20123, Milan, Italy, telephone number +39 028862 8715 (Investor Relations). The fully issued and paid-up capital of UniCredit as at 13 November, 2008 amounted to €6,684,287,462.00.

The UniCredit Banking Group (the **Group**) is a global financial institution, with an established presence in 22 European countries and offices in a further 27 international markets. In particular, the Group is strategically positioned in its primary markets where it has become a market leader in several geographic areas such as Italy, southern Germany, Austria and central-eastern Europe, where the Group is a market leader.

The Group focuses on full-service financial services and is engaged in a wide range of banking, financial and related activities (including deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches) throughout Italy, Germany, Austria and other Eastern and Central European countries.

At 30 June, 2008, the Group served more than 40 million customers through its multi-channel distribution network comprising the 10,118 branches throughout 22 countries and a network of licensed financial consultants (*promotori finanziari*) operating in Italy, as well as internet and telephone banking capabilities.

At 30 June, 2008, the Group was the third largest banking group in the Euro-zone in terms of market capitalisation (approximately €50.8 billion) and it had 177,571 (full time equivalent) employees.

HISTORY AND DEVELOPMENT

Formation of the Banking Group UniCredit

The Group was formed as a result of the October 1998 merger between the Credito Italiano national banking group and the UniCredit regional banking group, formed one year before by a three-way merger in 1997 among Banca Cassa di Risparmio di Torino S.p.A, Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A. and Cassamarca-Cassa di Risparmio della Marca Trevigiana S.p.A.

Since its formation, the Group has continued to expand in Italy and launched its operations in Eastern Europe through both acquisitions (Bank Pekao in 1999, UniBanka and Bulbank in 2000, Zagrebacka and Demirbank Romania in 2002, Zivnostenska Banka in 2003, KFS in 2002 and Yapi Kredi in 2005) and organic growth.

In October 2000, UniCredit acquired the Global Investment Management division of the U.S.-based Pioneer Group (**Pioneer**). Following this acquisition, the Group consolidated its asset management businesses under a newly formed holding company named Pioneer Global Asset Management S.p.A. (**PGAM**). On 5 October, 2007, Pioneer Investments signed a joint venture agreement with Bank of Baroda in India, in a major strategic move to extend its presence in one of the world's fastest growing mutual fund markets. A memorandum of understanding was signed in February 2008, and the partnership agreement with Bank of Baroda has been notified to the local authorities. The agreement provides for the purchase by Pioneer Investments of a 51 per cent. stake in Bank of Baroda's asset management firm, to be renamed Baroda Pioneer Asset Management Company. The finalisation of this transaction is subject to approval by the regulatory authorities in India and in Italy.

From 2005, the Group substantially expanded its international operations, chiefly in Germany, Austria and Central and Eastern Europe, through the business combination with Bayerische Hypo- und Vereinsbank Aktiengesellschaft (**HVB**). See "*The Business Combination with the HVB Group*", below.

In January 2007 HVB transferred a 70.26 per cent. stake in International Bank Moscow (**IMB**) to Bank Austria Creditanstalt AG (which was subsequently renamed UniCredit Bank Austria AG effective 27 September, 2008, **Bank Austria**). Furthermore, between the end of December 2006 and the beginning of

January 2007, Bank Austria acquired a 19.77 per cent. stake in IMB from VTB Bank (France) S.A., thereby increasing its total interest in IMB to 90.03 per cent. of the share capital (95.19 per cent. of the share capital with voting rights). Subsequently, in July 2007 Bank Austria acquired the remaining 9.97 per cent. stake in IMB from the European Bank for Reconstruction and Development, thereby becoming the sole shareholder of IMB, which is one of the top ten Russian banks by total assets. On 20 December, 2006, Bank Austria also acquired the entire institutional business of the Russian broker Aton Capital, which was one of the top five investment banks in Russia at the time, for a purchase price of US$424 million.

On 30 June, 2006, Bank Austria completed the sale of its 99.74 per cent. stake in Splitska Banka to Société Générale for an aggregate consideration of €1 billion. Splitska Banka was sold in order to comply with the demands made by the Croatian regulatory authority in relation to the business combination between UniCredit and HVB, in view of the fact that Zagrebacka is a market leader in Croatia.

In 2007 and 2008 the Group reorganised its operations in the Central and Eastern European (**CEE**) countries where, as a result of the HVB business combination, it has more than one bank (Slovakia, Bulgaria, Romania, the Czech Republic and Bosnia).

On 20 May, 2007, UniCredit's board of directors approved the merger of Capitalia S.p.A. into UniCredit, which became effective as of 1 October, 2007. See "*The Business Combination with the Capitalia Group*", below.

In November 2007 Bank Austria acquired a 91.8 per cent. stake (later increased to 99.86 per cent.) in ATF Bank (ATF), the third largest bank and largest foreign-owned bank in Kazakhstan with consolidated assets of €5.6 billion at year-end and a market share of 9.2 per cent. in total assets as of 30 September, 2007. ATF operates through a branch network of 140 branches throughout Kazakhstan, as well as subsidiaries and affiliates in Kazakhstan, Kyrgyzstan, Tajikistan (sold in July 2008) and Russia (Omsk region). Total consideration paid for the ATF stake amounted to approximately €1.592 million, plus a post-closing adjustment based on ATF's net asset value at closing.

On 23 January, 2008 UniCredit announced that Bank Austria had finalised the acquisition of 94.2 per cent. of the total issued share capital of CJSC Ukrsotsbank (**USB**). The purchase price at closing was €1,525 million and the final consideration included a post-closing adjustment based on USB's net asset value at closing. USB is the fourth largest bank in the Ukraine in terms of loans to customers and deposits listed on the Ukrainian Stock Exchange. As of 31 December, 2007, USB had a distribution network of 508 branches and managed assets totalling approximately €4.2 billion.

On 8 May, 2008, the UniCredito Italiano S.p.A. extraordinary shareholders' meeting changed the name of the company to UniCredit S.p.A.

On 2 September, 2008 UniCredit signed an agreement with the Polish Ministry of the State Treasury (**MST**) giving the MST a put option and UniCredit a call option with respect to the shares held by the MST in Bank Pekao, which amount to approximately 3.95 per cent. of the share capital of Bank Pekao. Under the agreement, the option price will be calculated as the volume-weighted average of the official daily quotations of Bank Pekao shares on the Warsaw Stock Exchange over a period of six months preceding the date of exercise of the option, increased by 3 per cent. The MST can exercise its put option from the date of the agreement to 30 June, 2009 while UniCredit has the right to exercise its call option starting on 23 December, 2008 until 23 December, 2009.

The Business Combination with the HVB Group

On 12 June, 2005 the Group entered into a business combination agreement with HVB (the **Business Combination Agreement**) relating to the combination of the Group with the HVB Group, the transaction structure and the future organisational and corporate governance structure of the combined group. At the time of the Business Combination Agreement, HVB owned, among others, a 77.5 per cent. stake in Bank Austria and, indirectly through Bank Austria, a 71.2 per cent. stake in Bank BPH S.A., a Polish listed bank (**BPH**). Therefore, the Business Combination Agreement provided for the terms and conditions of three public exchange offers in Germany, Austria and Poland for all outstanding shares of HVB, Bank Austria and BPH. After the approval of Regulatory Authorities, the UniCredit shareholders' meeting approved, on 29 July, 2005, a capital increase of up to €2,343,642,931.00 by means of the issuance of up to 4,687,285,862 ordinary shares of UniCredit against delivery of HVB, Bank Austria and BPH shares in the exchange offers.

HVB

On 26 August, 2005, UniCredit published the offer document for the purchase of all of the common shares (the **HVB Common Shares**) and for all of the preferred shares of HVB (the **HVB Preferred Shares**). UniCredit offered five new ordinary shares of UniCredit in exchange for each HVB Common Share and HVB Preferred Share. Upon expiry of all applicable acceptance periods for the offer on 11 November, 2005, UniCredit reached the control of approximately 93.93 per cent. of the registered share capital and of the voting rights of HVB. UniCredit's ordinary shares were admitted to listing on the Frankfurt Stock Exchange on 21 November, 2005.

In January 2007, UniCredit initiated procedures to effect the squeeze-out of minority shareholders of HVB. At that time UniCredit held approximately 95.45 per cent. of the share capital of HVB after having acquired an additional 1.23 per cent. on the market. On 15 September, 2008 the squeeze-out of HVB's free-float shareholders, which was resolved upon by the bank's shareholders meeting in June 2007, was registered in the commercial register at the Register Court of Munich. The squeeze-out price was €38.26 per HVB share, for a total consideration of approximately €1,396 million. The HVB shares held by the free-float of approximately 4.55 per cent. of the company's share capital were transferred to UniCredit by act of law, and HVB became a wholly-owned subsidiary of UniCredit.

Bank Austria

Also on 26 August, 2005, UniCredit published the offer document for the purchase of all no-par-value bearer shares and all registered shares of Bank Austria that HVB did not then hold. UniCredit offered 19.92 newly issued UniCredit ordinary shares or, alternatively, €79.60 in cash for each Bank Austria share. Upon expiry of all applicable acceptance periods for the offer on 18 November, 2005, the Group reached approximately 94.98 per cent. of the aggregate share capital of Bank Austria.

On 4 August, 2006, the board of directors of UniCredit and the supervisory board of Bank Austria approved the plan of infra-group transfers of subsidiaries in Central and Eastern Europe, in order to make Bank Austria the sub-holding for Group banking subsidiaries in CEE countries except Poland and Ukraine.

Following completion of the contribution in kind, UniCredit's direct and indirect stake in Bank Austria increased from 94.98 per cent. to 96.35 per cent.

Subsequently, HVB transferred to UniCredit its 77.53 per cent. stake in Bank Austria for a total consideration of €12.5 billion and its 100 per cent. participation in HVB Ukraine to Bank Pekao for a total consideration of €83 million.

In January 2007, UniCredit initiated procedures to effect the squeeze-out of minority shareholders of Bank Austria. At that time UniCredit held approximately 96.35 per cent. of the share capital of Bank Austria. The squeeze-out transaction of Bank Austria was approved by its shareholder meeting on 3 May, 2007. Subsequently, certain shareholders of Bank Austria challenged this transaction, alleging that the squeeze-out price was not fair and seeking damages. On 21 May, 2008, this litigation was settled and the squeeze-out was registered in the Vienna Commercial Register. UniCredit thus paid the minority shareholders a total sum of approximately €1.045 million, including accrued interest, and became the owner of 99.995 per cent. of Bank Austria's share capital.

BPH

On 29 July, 2005, UniCredit filed a request with the Polish Banking Supervisory Commission (**BSC**) for authorisation to acquire indirect control of BPH and to exercise voting rights at BPH's shareholders' meeting for over 75 per cent. of BPH's share capital.

On 30 November, 2005, UniCredit's Board of Directors decided to postpone the exchange tender offer referred to above on BPH shares in Poland, given that the required authorisation had not yet been received from the BSC. UniCredit's Board of Directors subsequently passed a resolution to terminate the execution of the capital increase which had been approved by UniCredit's shareholders' meeting on 29 July, 2005, thereby not utilising the portion of the capital increase allocated to the exchange tender offer in Poland.

On 20 January, 2006, UniCredit communicated to the Polish Securities and Exchange Commission, the Warsaw Stock Exchange and the Polish Press Agency its mandatory public tender offer for the shares (representing 28.97 per cent. of the share capital) of BPH that UniCredit did not already indirectly own.

The price offered for each BPH share was Polish Zloty 702.11 in cash, which was determined in compliance with the minimum price requirements provided by applicable Polish law. The acceptance period of the BPH Offer expired on 1 March, 2006. Upon expiry of the acceptance period, no BPH shares had been tendered in the offer.

On 19 April, 2006, UniCredit entered into an agreement with the Polish Treasury Minister (**MST**) pursuant to which UniCredit agreed to (i) sell 200 existing branches of Bank Pekao and BPH together with the support services and infrastructure necessary for carrying out their business, (ii) not implement any staff reductions in the Bank Pekao and BPH banks by lay-offs prior to 31 March, 2008 and (iii) grant the MST the right to appoint two members to the BPH supervisory board.

In November 2006, Bank Austria transferred its 71.03 per cent. stake in BPH to UniCredit, for allocation to the newly constituted Poland's Markets Division. The long-term objective of the Poland's Markets Division is to maximise the creation of value in the Polish market further to the merger between Bank Pekao and a part of BPH. The partial integration of BPH into Bank Pekao was finalised on 29 November, 2007.

On 17 June, 2008, UniCredit transferred an approximate 66 per cent. shareholding in BPH to GE Money Bank, a Polish Bank belonging to the global consumer lending division of General Electric. Prior to the sale, UniCredit held 71.03 per cent. of the corporate capital of BPH. The transaction also envisaged the sale by CABET Holding, a wholly-owned subsidiary of Bank Austria, of its 49.9 per cent. shareholding in BPH TFI (a wholly-owned subsidiary of BPH operating in the asset management sector) to GE Capital Corporation on 18 June, 2008. The aggregate purchase price of the transaction amounted to €625.5 million in cash. This transaction represented the last step of the agreement between UniCredit and the Polish Ministry of State Treasury of 19 April, 2006.

The Business Combination with the Capitalia Group

On 20 May, 2007 UniCredit's board of directors and the board of directors of Capitalia S.p.A. (**Capitalia**) approved the merger of Capitalia into UniCredit (the **Merger**), which was subsequently approved by the shareholders' meetings of both UniCredit and Capitalia on 30 July, 2007.

The Merger was effected by way of incorporation of Capitalia into UniCredit and each Capitalia ordinary share was exchanged for 1.12 ordinary shares of UniCredit. As a consequence of the Merger, Capitalia ceased to exist and all of its assets, rights and obligations have been transferred to UniCredit.

The Merger was authorised by the Bank of Italy on 26 June, 2007. It also received the authorisation of the Italian Antitrust Authority on 19 September, 2007, conditional upon the fulfilment of certain remedies proposed by UniCredit during the investigation carried out by the regulator. Such measures have been considered to be appropriate in order to avoid any anticompetitive effects deriving from the Merger and include:

- the sale by UniCredit of a number of branches comprised between a minimum of 155 and a maximum of 180 (selected according to the level of average deposits per branch in the relevant province) in 16 Italian districts to one or more third parties who are not shareholders in the new bank;
- a significant reduction of commissions for ATM cash withdrawals at other banks' outlets, cancellation of commissions for ATM withdrawals at approximately 8,000 branches of competing banks located in approximately 4,000 municipalities in Italy where the Group will not have ATMs and cancellation of commissions for ATM withdrawals made by clients of the new bank abroad at the ATMs of banks belonging to the Group;
- the sale by UniCredit of its entire shareholdings in Assicurazioni Generali S.p.A. (representing 4.5 per cent. of its share capital, including 0.051 per cent. of shares held in pledge) and a commitment (i) not to create, or to participate in, future shareholder agreements relating to Assicurazioni Generali Group's shares; (ii) not to enter into partnerships or production and/or distribution agreements with Assicurazioni Generali S.p.A. or any other company in the Generali Group and not to hold, directly or indirectly, shareholdings in Assicurazioni Generali S.p.A. or any other company in the Assicurazioni Generali Group, as long as UniCredit is a shareholder of Mediobanca S.p.A.;
- the prohibition of the members of UniCredit's Board of Directors, who hold an office in the corporate bodies of Mediobanca S.p.A. and/or Assicurazioni Generali S.p.A., from participating in the discussion and adoption of resolutions concerning the Italian investment banking and insurance markets;

- the adoption by UniCredit of organisational measures aimed at not disclosing confidential information concerning the above investment banking and insurance markets to such members of UniCredit's Board of Directors;
- a reduction of the equity stake held by UniCredit in Mediobanca S.p.A. by means of the sale of an interest representing 9.4 per cent. of its share capital;
- the prohibition on UniCredit to increase, directly or indirectly, the 8.68 per cent. stake in Mediobanca S.p.A. that it will hold after completion of the sale described above.

UniCredit and Capitalia executed the merger deed on 25 September, 2007, and the merger became effective as of 1 October, 2007.

It is envisaged that the Group will undergo a process of reorganisation of the activities and businesses of the Italian commercial banks belonging to the Group following the integration with Capitalia. The reorganisation process is currently structured to take place through:

(i) the merger by incorporation of UniCredit Banca di Roma S.p.A., Banco di Sicilia S.p.A., Bipop Carire S.p.A. and of UniCredit Banca S.p.A. into UniCredit S.p.A. As a result of the merger of UniCredit Banca S.p.A., UniCredit Banca per la Casa S.p.A. will be directly and wholly owned by UniCredit S.p.A.; and

(ii) the contribution as a going concern from UniCredit S.p.A. of (i) the mortgage loan business to UniCredit Banca per la Casa S.p.A., (ii) the retail banking business to three newly incorporated entities which will be named, for continuity branding reasons, UniCredit Banca S.p.A., UniCredit Banca di Roma S.p.A. and Banco di Sicilia S.p.A. on a geographical basis; (iii) the private banking business and the corporate banking business to UniCredit Private Banking S.p.A. and UniCredit Corporate Banking S.p.A., respectively; (iv) of the personal loans business to UniCredit Consumer Financing S.p.A.; and (v) the real estate banking business to UniCredit Real Estate S.p.A.

The required authorisations from Bank of Italy have been obtained. The reorganisation took effect on 1 November, 2008.

RECENT DEVELOPMENTS

Exposure to the Lehman Brothers Group

On 17 September, 2008 UniCredit issued a statement detailing the UniCredit Group's net exposure to the Lehman Brothers Group as follows:

- Credit lines drawn for approximately €12 million;
- Net bonds and certificates for a net nominal value of approximately €120 million; and
- Net mark-to-market replacement risks for approximately €26 million.

Approval of capital-strengthening measures

On 5 October, 2008, the UniCredit Board of Directors approved a series of measures which are expected to significantly reinforce its capital position. The plan envisages capital-strengthening actions for an aggregate amount of up to €6.6 billion. UniCredit estimates that its Basel II Core Tier 1 ratio (which was 5.7 per cent. at the end of June 2008) will reach a level of approximately 6.7 per cent. by year-end, compared with its previous target of 6.2 per cent., as a result of the combined effect of (i) the capital-strengthening actions announced at the same date, (ii) the implementation of a series of cost-cutting measures, and (iii) the execution of other extraordinary transactions currently underway or envisaged.

In its press release, UniCredit stated that the previous three weeks have been extremely challenging for the entire financial sector, resulting in unprecedented volatility and pressure, which also affected UniCredit shares. In this scenario, the capital target of 6.7 per cent. Core Tier 1 at the end of 2008 is based on expected Group net earnings of approximately €5.2 billion, which is equivalent to approximately €0.39 in earnings per share (EPS) prior to the capital increase. The decrease with respect to the previously announced target of €0.52 EPS is attributable both to deteriorated financial market conditions, which have affected the performance of market-related activities, and to the delay in the execution of UniCredit's assets disposal plan.

The capital-strengthening initiatives include:

- Payment of dividends related to the Group's 2008 earnings in new shares for an expected aggregate amount of €3.6 billion; and
- Placement of a €3 billion issue of Core Tier 1 "Convertible Equity Instruments" (**CASHES** or **instruments**) with a group of institutional investors, the size of which will be reduced depending on shareholders' take-up of the rights offering.

As the issuance of the new ordinary shares underlying the instruments must be approved at a UniCredit Shareholders' meeting and offered to the current shareholders on a pre-emptive basis, the UniCredit Board of Directors resolved to call an Extraordinary Shareholders' Meeting, held on 14 November, 2008, with a view to completing the transaction as soon as practicable within the first quarter 2009, subject to regulatory approvals. The Extraordinary Shareholders' Meeting approved a capital increase of 973 million new ordinary shares at a price of €3.083 per share (the reference price of the shares at the close of the market on the Italian Stock Exchange on Friday, 3 October, 2008), of which €2.583 represents share premium. Please see "*Description of UniCredit and the UniCredit Group – Recent Developments – Approval of capital strengthening measures*" below for further information.

To the extent that the shareholders exercise their rights to subscribe for such shares, the volume of the CASHES to be issued will be reduced pro-rata.

The CASHES are securities convertible at the investor's option into new UniCredit ordinary shares to be issued following receipt of the necessary authorisations. The instruments have been priced with a coupon of 3-month Euribor plus 450 basis points, in line with terms of recent bank capital financing, and an exchange price fixed at €3.083, which was the reference price of the shares at the close of the market on the Italian Stock Exchange on Friday, 3 October, 2008. They will be convertible at any time after 40 days from their issue date and will be automatically converted into UniCredit ordinary shares if the UniCredit share price exceeds 150 per cent. of the exchange price (i.e., €4.6245) over a set period following the seventh anniversary of their issuance.

The instruments offering met a significant level of demand: UniCredit core shareholders and other institutional investors committed to subscribe up to €3 billion, of which €2 billion was already approved by their relevant governing bodies, while the remaining amount of €1 billion is expected to obtain such approval in the forthcoming days.

UniCredit Markets & Investment Banking, Mediobanca and Merrill Lynch International advised on the overall capital strengthening measures and on the structuring of the instruments, and acted as private placement agents of the CASHES. They also have been mandated to manage the rights offering.

Approval of UniCredit consolidated results for third quarter 2008

On 12 November, 2008, the Board of Directors approved the consolidated results of the UniCredit Group as at and for the three months ended 30 September, 2008 which were prepared applying the amendments to IAS 39 on the recognition and measurement of financial instruments. The new rules allow for the reporting of certain holdings at amortised cost instead of fair value.

The following summary is based on the UniCredit press release published on 12 November, 2008:

The Group's consolidated results for the third quarter were impacted by the dramatic conditions on the financial markets. While there was a decided drop in the areas linked to the markets (more specifically, the Markets and Investment Banking Division and the Asset Management Division which, however, reported a positive net result), the Group benefited from its geographical and sector diversification, reporting positive results in commercial banking (including the Retail Division, CEE Division, Poland's Markets Division, Corporate Division and Private Banking Division) where revenues increased by 9.0 per cent. compared to the same period in the previous year.

UniCredit's Board of Directors approved the consolidated results for the third quarter 2008 which showed a net profit of €551 million.

The operating profit amounted to €2,589 million, a reduction of 8 per cent. compared to the figure for the same period in the previous year. The drop in the Markets and Investment Banking Division, which reported a negative operating profit of €137 million, was offset by growth in the CEE region (which reported an

increase of 37 per cent. compared to the same period in the previous year and of 13 per cent. on a normalised basis), in the Retail Division (which reported an increase of 8.5 per cent. compared to the same period in the previous year) particularly in Italy (which reported an increase of 14.8 per cent. compared to the same period in the previous year) and the Corporate Division (which reported an increase of 11.4 per cent. compared to the same period in the previous year).

The Group's operating performance was impacted by the trend in operating income which amounted to €6,746 million (showing a drop of 1.5 per cent. compared to the same period in the previous year), due to the negative impact of net trading, hedging and fair value income (amounting to approximately €523 million), despite the application of the amendments to IAS 39 described above (which had a positive impact of €866 million on the operating income). The CEE Region (which reported an increase of 13.5 per cent. on a normalised basis compared to the same period in the previous year) and the Corporate Division (which reported an increase of 8 per cent. compared to the same period in the previous year) both reported a positive performance.

Net interest income increased by 18.4 per cent. compared to the same period in the previous year (a 14.7 per cent. increase on a normalised basis), thanks to the widening of spreads as well as an increase in volumes. Customer loans increased by 8.4 per cent. compared to the figure as at 31 December, 2007 (which net of the effect of IAS 39 represents an increase of approximately 6 per cent.) and customer deposits and securities increased by 1.5 per cent. compared to 31 December, 2007.

Net commissions decreased 13.1 per cent., primarily due to a strong decline in asset management, custody and administration (commissions from asset management, custody and administration amounted to €915 million, a drop of 26.3 per cent. compared to the same period in the previous year). Other fees and commissions (amounting to €1,286 million) are substantially unchanged.

At the end of September 2008, the volumes of the assets managed by the Group's asset management companies amounted to €198.7 billion, a drop of 27.2 per cent. compared to the same date in the previous year. Compared to 31 December, 2007, however, the reduction amounts to 22.7 per cent. The trend of the financial markets (stock markets, in particular) and the changes made, consequently, by customers in terms of asset mix have reduced both the stock and the average profitability of assets under management and administration with a clear impact on fee income.

Operating costs dropped on a quarterly basis by 1.6 per cent., amounting to €4,157 million. The normalised growth over the third quarter of 2007 is extremely small (1.5 per cent. compared to the same period in the previous year) due to constant cost reduction in Western Europe (0.9 per cent. compared to the same period in the previous year) and despite the strong growth of the CEE Region (13.6 per cent. compared to the same in the previous year). The cost/income ratio was 61.6 per cent. (compared to 58.9 per cent. in the previous year).

Payroll costs amounted to €2,467 million, an increase of 1.1 per cent. compared to the same period in the previous year on a normalised basis), in line with the other administrative expenses (equal to €1,478 million, an increase of 0.1 per cent. compared to the same period in the previous year on a normalised basis), while amortisation, depreciation and impairment losses on tangible and intangible assets (€326 million) are basically unchanged compared to the same period in the previous year. Retail, Asset Management and the Markets and Investment Banking Divisions all reported a drop in operating costs compared to the same period in the previous year.

The provisions for risks and charges totalled €51 million (a decrease of €32 million compared to the same period in the previous year).

Net write-downs on loans and provision for guarantees and commitments in the third quarter of 2008 (€693 million) showed an increase of 12.5 per cent. compared to the same period in the previous year. In addition there are €365 million in other provisions arising from imbalances caused by the financial market crisis in September (primarily Icelandic banks for €252 million and provisions linked to the application of IAS 39 amendments for €80 million).

Total net impaired loans (€17.1 billion at the end of September 2008) showed an increase of approximately 5 per cent. when compared to the figure as at and for the twelve months ended 31 December, 2007 due primarily to signs of deterioration in the economic cycle, as well as an increase in volumes. These loans accounted for 2.75 per cent. of total loans, down from 2.84 per cent. reported at 31 December, 2007. Net

non-performing loans total €9,456 million compared to €9,347 million at 31 December, 2007 and represented 1.52 per cent. of total loans compared to 1.62 per cent. reported at the end of 2007. The coverage ratio of net non-performing loans is basically unchanged and amounted to 66.2 per cent., while the coverage ratio of the net impaired loans was 55.5 per cent., a slight drop on the 56.1 per cent. recorded at the end of 2007.

Integration costs, following the Capitalia acquisition, totalled €18 million (compared to €102 million in the third quarter of 2007). Net income from investments was negative for some €346 million due primarily to the write-down of the equity investments in the London Stock Exchange (€215 million), Babcock and Brown (€112 million) and Lehman (€30 million).

Profit before tax was €1,116 million (a decrease of 46.7 per cent. when compared to the third quarter of 2007) after recording approximately €1.3 billion in write-downs associated with the financial crisis. The Group has applied the amendments to IAS 39, generating a positive impact of €856 million before tax.

Income tax for the period was €393 million with a tax rate of 35.2 per cent. (compared to 34.2 per cent. in the third quarter of 2007 and 22.6 per cent. reported in the second quarter 2008).

Net profit, therefore, amounted to €723 million (compared to €1,378 million reported in the third quarter of 2007).

Minorities totalled €113 million.

Net profit attributable to the Group in the third quarter of 2008 fell by 54.2 per cent. compared to the same period in the previous year, to €551 million, with a negative impact of the purchase price allocation of €59 million relative to the Capitalia transaction.

The Group's portion of net equity amounted to €56,620 million.

The Core Tier 1 ratio (Basel II) decreased from 5.71 per cent. at the end of June 2008 to 5.67 per cent. at the end of September 2008 before the impact of the announced capital increase. This figure includes the impact of both the squeeze-out of the HVB minorities completed in the third quarter and the put option held by the Polish Ministry of the Treasury on 3.95 per cent. of Bank Pekao.

The Tier 1 ratio was at 6.46 per cent. (compared to 6.49 per cent. at the end of June 2008) and the total capital ratio was 10.44 per cent. (10.36 per cent. at the end of June 2008) before the impact of the announced capital increase.

At the end of September 2008 the Group's organisation consisted of 177,393 full-time staff, an increase of 7,577 members of staff compared to the end of 2007. This is due entirely to staff increases in the CEE Region, as all other Divisions recorded staff reductions. Furthermore, at a Group level the total number of staff has dropped compared to the end of June 2008 (177,571). Compared to the end of 2007, on a normalised basis (like-for-like perimeter of consolidation) the Retail area showed a drop of 552 staff members due to rationalisation, particularly in Italy. Asset Management and the Markets and Investment Banking Division reported significant reductions (237 and 547 staff members, respectively, compared to year end 2007). The September figure in the CEE Region, if compared to the end of June, also showed a significant decline (by 278 staff members).

The Group's network at the end of September 2008 consisted of 10,280 branches (an increase of 566 branches compared to a network consisting of 9,714 branches at December 2007).

Approval of the Share Capital Increase

On 14 November, 2008 UniCredit held its Extraordinary and Ordinary Shareholders' meeting for the approval of the share capital increase as part of the capital strengthening measures described in "*Description of UniCredit and the UniCredit Group – Recent Developments – Approval of capital strengthening measures*" above.

The following summary is based on the UniCredit press release published on 14 November, 2008:

The Extraordinary Shareholders' meeting approved a paid-in share capital increase of an overall amount of up to €3 billion, to be completed in one or more tranches, by issuing up to 973,078,170 new ordinary shares offered preemptively to shareholders, pursuant to article 2441 of the Italian Civil Code and to other

investors who may purchase the rights. The new ordinary shares will be offered at a price of €3.083 per share (equal to the reference price of UniCredit ordinary shares at the close of the market on the Italian Stock Exchange on 3 October, 2008), including a share premium of €2.583.

It is expected that the offer of shares will be completed by the end of January 2009, subject to prior approval of the prospectus by the competent authority.

The capital increase is aimed at strengthening the capital structure of UniCredit in the context of the current market conditions of turmoil and volatility.

Mediobanca has undertaken to subscribe all the unexercised rights, so as to guarantee the full success of the capital increase transaction. The shares resulting from such subscription will service the issue, by a third party, of convertible instruments (the CASHES, as further described in "*Description of UniCredit and the UniCredit Group – Recent Developments – Approval of capital strengthening measures*" above), which will be offered through private placement exclusively to institutional investors. Mediobanca has communicated that certain of UniCredit's core shareholders are among those institutional investors.

Upon proposal of the Board of Directors, the Ordinary Shareholders' Meeting confirmed the authorisation to sell, without any limitation in time, all the treasury shares currently held (170,833,899 ordinary shares) and set a minimum price not lower than the market price reduced by 5 per cent. The sale may be carried out on or off market, spot and/or forward, including through convertible instruments or the use of derivatives depending on market conditions existing at the time of commencement of the transaction and with the goal of maximizing the economic and capital effects in line with the Group's objectives.

STRATEGY OF THE GROUP

As the parent company of the Group, pursuant to the provisions of Clause 61 of Legislative Decree No. 385 dated 1 September, 1993, as modified and in compliance with local law and regulations, UniCredit undertakes management and co-ordination activities in respect of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

UniCredit engages in the following main strategic functions:

- managing the Group's business expansion by developing appropriate domestic and international business strategies and overseeing acquisitions, divestitures and restructuring initiatives;
- defining objectives and targets for each division and monitoring performance against these benchmarks;
- defining the policies and standards relating to the Group's operations, particularly in the areas of credit management, human resource management, risk management, accounting and auditing;
- managing relations with financial intermediaries, the general public and investors; and
- managing selected operating activities directly or through specialised subsidiaries in order to achieve economies of scale. These activities include asset and liability management, funding and treasury activities and the Group's foreign branches. The Group operates certain centralised functions such as back office administration and information technology through UniCredit Global Information Services S.p.A. and UniCredit Processes & Administration S.p.A.

Furthermore, UniCredit intends to create value by pursuing the following principal strategic initiatives at the Group level:

- restore profitability in Germany;
- maintain positive momentum in Italy;
- complete the restructuring of the Central and Eastern European operations and continue investing in CEE markets;
- increase the return on risk weighted assets and further optimise the Group's capital allocation;
- leverage the global product lines and services; and
- finalise the reconfiguration of the corporate structure.

The principal strategic objectives of each of the operating divisions are described below:

- the Asset Management Division intends to further strengthen its position in the asset management industry by enlarging its product offering through new partnerships with third parties, introducing hedge fund products, dynamic asset and liability management (either for institutional or retail clients), retirement products and wealth planning;

- the Retail Division's objective in Italy is to become the main banking partner for customers in the mass market, affluent and small business segments and maintain sustainable growth rates over time in a European environment of increasing competition, more restrictive regulations and turbulence in financial markets. In Italy, the strategic priority is the turnaround of revenues and costs of former Capitalia networks, by extending best practices to bridge product penetration gaps and increase operational efficiency. Continuous over-performance of competition in customer service is expected to increase market shares. In Germany and Austria, the goal is value creation through business selectivity and cost efficiency. The two main pillars of the strategy are the achievement of leadership in affluent banking in both countries and a significant further cost reduction. Finally, Household Financing's goal is to leverage on UniCredit Group networks and provide the advantage of having a single global product factory with the scale and the in-house skills of an international Group. In consumer financing, the Division is expected to become a Tier 1 European player, while cost control is achieved through the unification of mortgage and consumer financing companies, and a single cross-border IT and risk management platform;

- the Corporate Division's objective is to become the leading bank in the corporate and small business segments in the key markets of Germany, Austria and Italy by offering high standard added value products, tailor-made "midcap" services and products, the further diffusion of know-how on specialised products and the development of global businesses;

- the Private Banking Division intends to establish a pan-European platform offering sophisticated high-value added services to local customers. The Division can leverage on well established onshore networks in Germany, Italy, Austria and on additional platforms in Switzerland, Luxembourg and San Marino;

- the Markets & Investment Banking Division intends to consolidate its position as a leading European regional specialist in global financial markets and investment banking services, primarily focusing on the countries where the Group is active, and client-driven business segments;

- the Poland's Markets Division intends to maximise long term value creation in the Polish market by consolidating the Group's leading position. At the moment, the Division establishes strategic guidelines through the development of marketing and distribution practices for all business lines. However, the Poland's Markets business is to be fully divisionalised into retail, corporate and private banking, to better deliver the power of specialisation; and

- the Central and Eastern Europe Division intends to focus on organic growth. The large revenue potential of the asset gathering business allows the generation of liquidity to maintain a stable funding base and in particular to support the distribution of consumer financing products. The Division relies on the extension of business platforms, know-how and best practices developed within the UniCredit Group, which, combined with a strong knowledge of local markets, allows it to offer state-of-the-art products and services. The business platforms of Asset Management, Leasing and Global Transaction Banking will reach almost full coverage in the region. The main cross-border projects include the introduction of the Cross-Border Business Management model for international corporate customers, the Small Business Partnership program, the full introduction of insurance products (CPI and unit-linked) and the redesign of the affluent service model.

Asset Management Division

The Asset Management division coordinates the fund and asset management activities of the Group in all geographic markets, including Poland and the CEE through a specialised sub-holding company, Pioneer Investments, and its specialised subsidiaries. Pioneer Investments has focused on customer wealth protection and growth since 1928, and is a global trader managing approximately €200 billion.

Thanks to its partnership with leading financial institutions around the world, the Asset Management Division is able to offer a complete, innovative range of financial solutions, which include mutual funds, hedge funds, wealth management, institutional portfolios and structured products.

Retail Division

The Retail Division provides commercial retail banking products and services to households with total financial assets of less than €1 million and small businesses with annual revenues of less than €3.0 million. The Division covers Italy, Germany and Austria through local branches operated by three distribution networks: three retail banks in Italy and the retail business lines of the regional legal entities, HVB in Germany and Bank Austria in Austria. The Italian retail banks, UniCredit Banca, UniCredit Banca di Roma and Banco di Sicilia, have regional responsibilities in northern Italy, central and southern Italy, and Sicily, respectively. The Division offers a complete range of high-quality and reliable products and services with the best price/quality ratio.

The Retail Division also includes the global specialised product factories of Household Financing, which globally supply consumer financing (UniCredit Consumer Financing) and household mortgages (UniCredit Banca per la Casa).

Corporate Division

The Corporate division's centralised structure is responsible for coordinating, directing, supporting and controlling the activities of its companies, as well as those of the corporate banking business lines of the Group's Regional Banks. Through its 430 branches and offices across three countries and almost 12,000 full-time equivalent employees, management estimates that the Group serves approximately 280,000 corporate customers.

The Corporate division offers a broad variety of financial services, including lending and other traditional commercial banking services, acquisition finance and other medium– and long-term lending services (through UniCredit Corporate Banking, formerly Banca d'Impresa, and the corporate divisions of HVB and Bank Austria, which serve as the main relationship banks for the Group's corporate banking customers), corporate financial leasing services (through the UniCredit Global Leasing sub-group, HVB Leasing and Bank Austria Leasing), project finance, factoring services (through UniCredit Factoring S.p.A.) and, in Germany, commercial real estate financing (through HVB's specialised unit).

Private Banking Division

The Private Banking division is dedicated to high-net-worth clients and aims to be the trusted private banker of families, entrepreneurs and self-employed professionals. The division achieves this by offering high-value-added advice based on long-standing local relationships managed by private bankers with consolidated professional expertise and on the Group's international know-how. The division's strength is its ability to use an integrated approach to protect and increase wealth, to maximise the value of all kinds of assets by recourse to a wide range of financial and non-financial products and services.

The Private Banking division operates on a regional level through the following main entities:

- UniCredit Private Banking and its subsidiaries; and
- HVB and Bank Austria (through Bank Austria's specialised subsidiaries BANKPRIVAT AG and Schoellerbank AG).

Markets and Investment Banking Division

The Markets & Investment Banking division bundles the investment banking activities of HVB, UniCredit and Bank Austria. Effective as of 1 April, 2007, the Group transferred to HVB the markets and investment banking business of UniCredit Banca Mobiliare (UBM), the Group's sole investment bank prior to the HVB Business Combination, in order to centralise its investment banking activities. The UniCredit Board of Directors approved the merger of UBM into UniCredit on 13 March, 2008 and approved the relevant merger plan. The merger became effective on 31 March, 2008.

The division covers all areas of financing and investment banking for the Group's corporate clients, including acquisition and structured financing, project finance, classic corporate finance and syndication of loan portfolios as well as advisory services on M&A transactions, support and structuring of capital market transactions and consultation on all related issues. Other central product areas are money market, foreign exchange and interest rate hedging transactions, transactions in all market segments with securities and derivatives and the active management of credit portfolios.

The division serves approximately 1,100 customers, including banks, insurance companies, central banks and other public corporations, as well as large institutional investors. The securities issued by most of the companies served in this division are listed on exchanges in Italy, Germany and other European countries.

The division is divided into four areas of competence: the Markets area includes all trading, structuring and securities distribution businesses, while the Investment Banking area combines coverage and origination based business, as well as financing and loan syndication. Emerging Euro area coordinates the division's activities in Central and Eastern Europe, while MIB Market and Credit Risk manages divisional credit risk underwriting, market risk and risk reporting and policies.

Poland's Markets Division

Poland's Markets Division manages UniCredit Group's operations in Poland and in part of Ukraine, through Bank Pekao and UniCredit Ukraine Bank, respectively. In Poland, through Bank Pekao, UniCredit Group has a market share of 18 per cent. and is the leading bank in terms of total assets, loans to customers and assets under management. The bank can rely on a nationwide network of more than 1,130 branches, a strong presence in all major cities in the country and Poland's largest ATM network of about 1,900 ATMs.

CEE Division

Bank Austria acts as a sub-holding for the banking activities in Central and Eastern Europe, with the exception of Poland and part of Ukraine (UniCredit Ukraine Bank), that are managed by the Poland's Markets Division within UniCredit. The UniCredit Group has the strongest network of the region, in terms of assets, countries in which it is present and number of branches. The Division offers a comprehensive range of financial products and services to about 25 million retail, corporate, private banking and institutional customers through a network of more than 2,660 branches in 19 countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkey and Ukraine (Ukrsotsbank).

PERFORMANCE OF THE UNICREDIT GROUP

The following table summarises certain key financial and operating data for the Group broken down by division for the consolidated Group as at and for the six months ended 30 June, 2008:

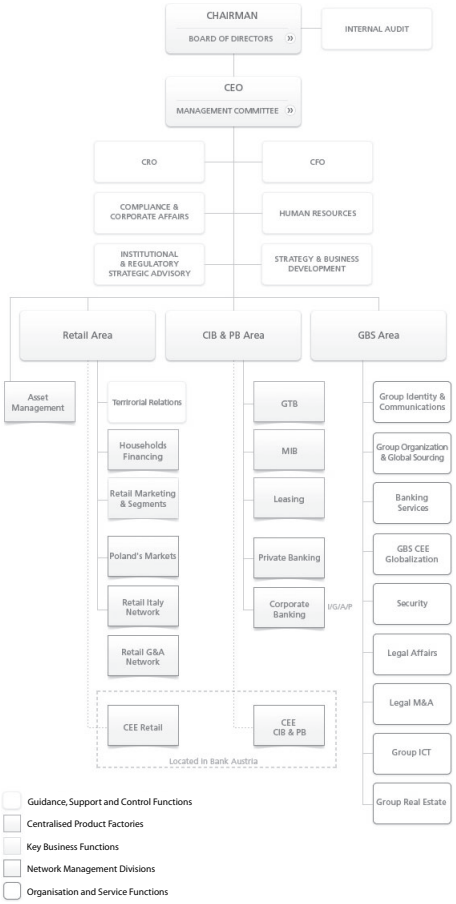
	Six months ended 30 June, 2008					
Division	Operating Income	% of Group's Operating Income	Operating Expenses	% of Group's Operating Expenses	Group Portion of Profit before Tax	% of Group's Profit before Tax
	(Amounts in € millions, except percentages)					
Retail Banking	5,681	40.45%	(3,694)	44.18%	1,335	30.50%
Corporate Banking	3,066	21.83%	(1,001)	11.97%	1,534	35.05%
Markets & Investment Banking	504	3.59%	(731)	8.74%	(293)	(6.69)%
Private Banking	743	5.29%	(448)	5.36%	312	7.13%
Asset Management	609	4.34%	(260)	3.11%	373	8.52%
CEE	2,145	15.27%	(1,057)	12.64%	926	21.16%
Poland's Markets	1,122	7.99%	(521)	6.23%	568	12.98%
Parent company and other companies (*)	173	1.23%	(649)	7.76%	(378)	(8.64)%
Total Consolidated	14,043	100.00%	(8,361)	100.00%	4,377	100.00%

* Consolidation adjustments included.

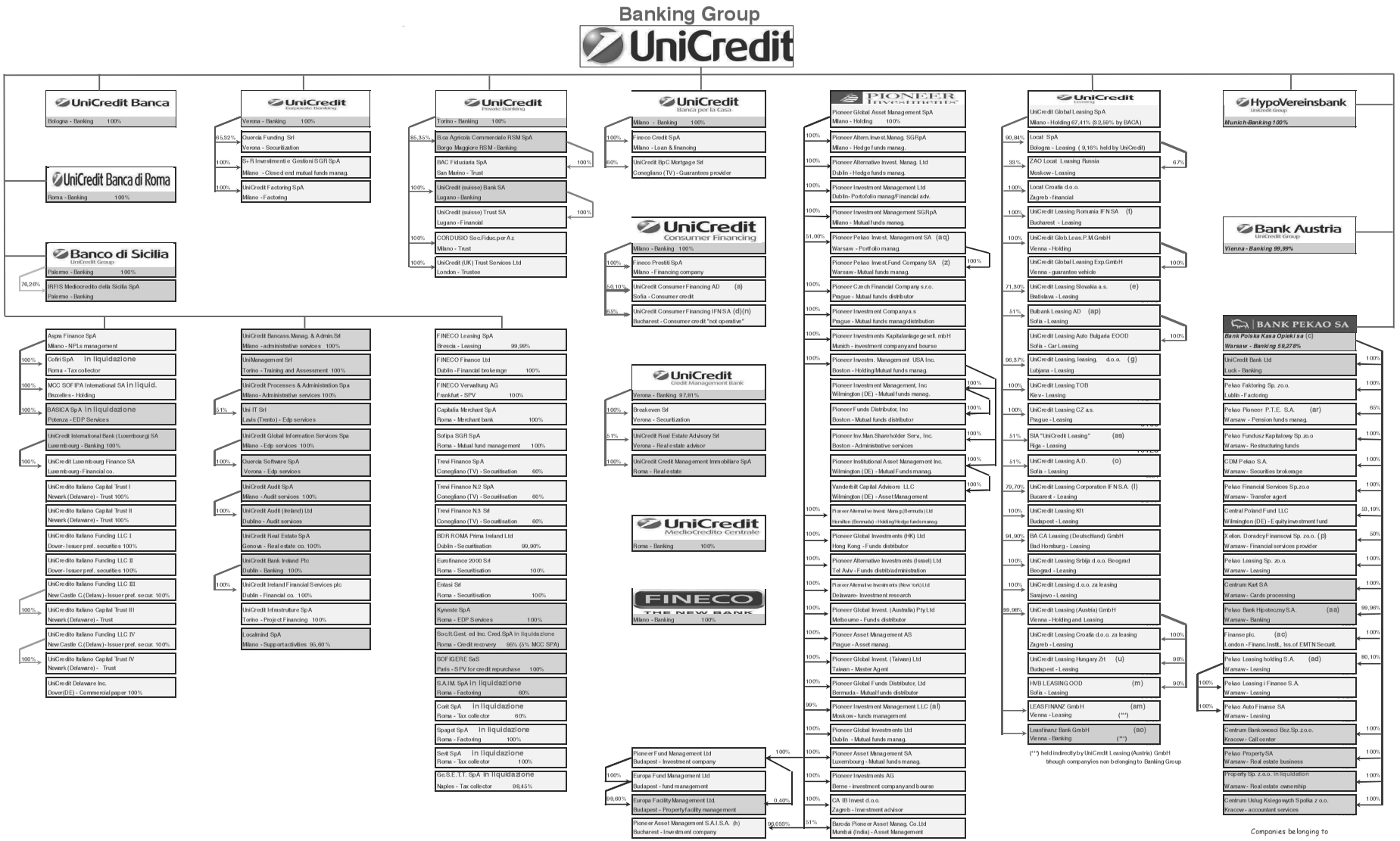
THE CURRENT ORGANISATIONAL STRUCTURE

UniCredit is the parent company of the Group and, in that role, pursuant to Clause 61 of Legislative Decree No. 385 of 1 September, 1993, as amended (Testo Unico), undertakes management and co-ordination activities in respect of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

The following diagram illustrates the organisational structure of UniCredit as at 22 October, 2008.



The diagram below illustrates the banking companies controlled by UniCredit belonging to the Group as at 3 November, 2008.



(a) 49,9% held by UniCredit Bulbank AD (b) # 175.000 shares owned by UniCredit Credit Management Bank SpA (c) listed on Stock Exchange (d) to be included in the Banking Group (e) 8,8% held by UniCredit Leasing CZ a.s. (8168), 19,90% held by UniCredit Bank Slovakia a.s. (10082 BACA) (g) 3,63% held by UniCredit Bank Slovenija DD (370 BACA) (h) 3,967% held by UniCredit Tiriak Bank SA (10028) (l) 20% held by UniCredit Tiriac Bank (10028), 0, 10% held respectively by 213, 239, 2514 (m) 10% held by UniCredit Bulbank AD (10073) (n) 35% held by UniCredit Tiriac Bank SA (o) 49% held by UniCredit Bulbank AD (10073) (p) 50% owned directly by UniCredit (t) UniCredit Tiriac Bank holds one share of the company (u) 2% held by BA Eurolease Beteiligungsgesellschaft m.b.H. (213) (z) in Polish: Pioneer Pekao TFI SA (aa) 0,04% held by Final Holding Sp. z.o.o. (ac) Final Holding holds 1 share (ad) 19,90 held by UniCredit Global Leasing SpA (al) Pioneer Czech Financial CompanyFinancial Company S.r.o. holds 1% (am) held 100% by # 10040 LF Beteiligungen GmbH (ao) held 100% by # 8424 BACA Leasing Und Beteiligungsmanagement GmbH (ap) 49% held by UniCredit Bulbank AD (aq) 49% held by Bank Pekao SA (ar) 35% held by Pioneer Global Asset Management SpA (as) 49% held by AS UniCredit Bank (10286 BACA)

Updated
November 3rd 2008

The UniCredit Banking Group is currently a European group organised by divisions and focused on client segments and territorial spheres, with "Centralised Product Factories" and companies dedicated to the supply of common services, named "Global Service Factories".

In order to enhance the achievement of synergies among the different divisions, within the Group there is a clear distinction between distribution activities, which are undertaken by commercial banks, and specialist companies, which focus on specialist services and products distributed through their own networks, the UniCredit Group Banks' networks and third parties.

Since July 2007 the Group has adopted an organisational structure based on three different management and coordination areas, allocated to three different Deputy CEOs, to whom the divisions and departments, divided according to the business and geographical area covered, report.

In July 2008, given the geographical extension and variety of the business activities of the Group, the Board of Directors of UniCredit approved the guidelines for a project aimed at further improving the entire organisational model of the Group with the following goals:

- enhancing cross-selling among Divisions;
- spreading best practices throughout the Group's markets independently from where they are conceived; and
- exploiting economies of scale and scope.

The new organisation, currently under implementation, is based on a series of "Divisions/Departments" grouped under three "Areas", partly originating from the Divisions and Global Business lines already in place:

- "Retail Area", grouping 5 Divisions and 1 department, including:
  - Retail Network Italy Division
  - Retail Network Germany & Austria Division
  - Retail Network Poland Division
  - Household Financing Division
  - CEE Retail Division (retail side of today's CEE Division), to be located in the Bank Austria sub-holding
  - Retail Segments & Marketing department
- "Corporate/Investment Banking & Private Banking (**CIB** & **PB**) Area", grouping 6 Divisions:
  - Corporate Networks Coverage Division (for Italy, Germany, Austria and Poland)
  - Private Banking Division
  - Markets & Investment Banking Division (**MIB**)
  - Global Transaction Banking Division (**GTB**)
  - Leasing Division
  - CEE CIB & PB Division (Corporate/Investment Banking & Private Banking side of the current CEE Division), to be located in the Bank Austria sub-holding
- "Global Banking Services Area", which will continue to group, among other organisation and service functions, all Global Service Factories.

The three Areas are headed by the Group's Deputy CEOs, while the Asset Managent Division continues to report directly to the Group CEO.

In line with this model, in order to increase its competition capacity on the market and, at the same time, to improve its guidance and strategic control functions as well as its governance and risk profile management functions, UniCredit structured itself in the following way:

- **Guidance, Support and Control Functions**, which have the main objective of steering, controlling and supporting the Group as a whole and its legal entities on matters related to Planning, Finance and Administration, Risk Management, Compliance and Corporate Affairs, Human Resources, Internal Audit, Strategy and Business Development, Institutional and Regulatory Strategic Advisory;

- **Network Management Divisions**, the main chain of command from the Holding Company to the legal entities, whose main objective is to maximise long-term value in their relevant segments and markets, focusing mainly on client management, sales and distribution and having primary responsibility within the Group for proposing and implementing the Group's strategy;

- **Centralised Product Factory/Key Business Function**, with the main function of operating as value-added centres for all geographies, governing functionally the Product Factory and the Key Business Function located within the legal entities in each country; and

- **Organisation and Service Functions**, which have the main objective of ensuring quality and efficiency of the services provided by the Issuer and by the UniCredit Group Global Service Factories, as well as supporting the divisions in matters of legal disputes and intra-group contracts and of M&A activities: Group Information and Communication Technology, Group Organisation & Global Sourcing, Banking Services, GBS CEE Globalisation; Group Real Estate, Security, Legal Affairs, Legal M&A and Group Identity & Communications.

The Group's functions are discussed more fully below.

Guidance, Support and Control Functions

The Guidance, Support and Control Functions are:

- ***Human Resources*** with the main objective of attracting, developing and retaining high quality resources, supporting the Group Strategic Plans and the coherent Group organisational development, ensuring Leadership Development Plans and implementing Group Operating Values; optimising Human Capital by defining Performance Management Plans, Training Plans and Compensation Systems; defining the Group Industrial Relations' guidelines;

- ***Internal Audit*** with the main objective of ensuring the integrity of the company's financial wealth and stability and the compliance of operations to internal and external regulations, supplying a "reasonable guarantee" that the organisation may efficiently fulfil its objectives;

- ***Planning, Finance and Administration*** with the main objective of Capital Management, with the aim of assigning the capital to the various Divisions/legal entities and pushing the Group's responsibility centres towards reaching the objectives; Planning and Control, with the objective of steering and coordinating Planning and Control processes for the Group and the Holding Company and of ensuring the cost Planning and Control function for the Group and the Holding Company; Finance and Asset & Liability Management (ALM), with the objective of ensuring balance in ALM and the economic and financial sustainability of the Group's growth policy in the lending market, optimising the currency exchange rate and cash-flow risk profile for the Group and centralising strategic funding activities on the capital markets; Accounting, Tax Affairs and Shareholdings, with the objective of ensuring the immediate and truthful representation of accounting entries of the Group, minimising the incidence of tax burdens, guaranteeing the function of reference for the Group in liaising with the supervisory authorities for relevant subject matters; management of Investor Relations, with the objective of ensuring the management of communication to the financial community, with particular care for institutional investors, financial analysts and rating agencies; Group Credit Treasury, with the objective of guaranteeing, as Group Advisor, the "active credit portfolio management" action in order to reduce capital absorption, increase credit pricing discipline and balance sheet turnover velocity, both at legal entity and consolidated levels;

- ***Compliance and Corporate Affairs*** with the main objective of ensuring adequate corporate fulfillments, the direct examination or the supervision of the evolution of laws and their consistent interpretation at Group level, as well as ensuring compliance with laws, regulations and codes of conduct applicable to the bank, particularly referring to external clients and/or entailing a high risk of fines or reputational damage through the identification, evaluation and monitoring of the overall legal and compliance risks of the Group and legal entities;

- ***Risk Management*** with the main objective of minimising Group risks (i.e. credit, market, operational risks) through the definition of policies and methods aimed at measuring and controlling those risks, and optimising the cost of risk through the definition of guidelines, policies and credit non binding opinions on significant credit exposures ("large exposures"), in compliance with internal and external rules and regulations;

- ***Strategy and Business Development*** with the main objective of supporting the CEO in the definition of the Group strategic targets, including the optimisation of the Group's portfolio of businesses, also in terms of diversification, expected value creation and capital absorption, in co-operation with the CFO office; and

- ***Institutional and Regulatory Strategic Advisory*** with the main objective of supporting the CEO in the relationship with the Italian Institutional Bodies particularly focusing on markets rationalisation issues, contributing to the activities performed by the relevant European strategic and consultancy Committees and managing technical lobbying activities on the relevant matters.

Network Management Divisions

The Network Management Divisions are:

- ***Retail Italy Network, and Retail Germany & Austria Network Divisions***, with the main objective of developing the Retail segment through a real European Retail strategy, guiding, supporting and controlling the Italian Retail Banks (UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia) and the Retail business line of the regional legal entities HVB and Bank Austria;

- ***Corporate Banking Division***, with the main objective of developing the Corporate/SMEs segment, guiding, supporting and controlling the development of the business activities at regional level, promoting and managing the Corporate business line of the regional legal entities (HVB and Bank Austria) and UniCredit Corporate Banking (the Italian bank of Corporate segment); the division also coordinates corporate banking commercial activities performed by the Group's Foreign Network;

- ***Private Banking Division***, with the main objective of developing the Private Banking segment, guiding, supporting and controlling the development of the business activities at regional level, guiding and supporting the Private Banking business line of the regional legal entities (HVB and Bank Austria), UniCredit Private Banking (the Italian bank of Corporate segment) and the specialised bank/companies the Division is competent for; and

- ***Poland's Markets Division***, with the main objective of maximising long-term value creation in the reference geographic area, through the development of the Bank's activities in Polish markets, guiding, supporting and controlling the development of the Banks.

- ***CEE Retail and CEE CIB & PB Divisions***, located in Bank Austria sub-holding, with the main objective of maximising the long term value creation in the reference geographic area, consolidating the leading position of the Group in the relevant countries. In particular:

  – ***CEE Retail Division*** coordinates the 6 Retail Divisions in CEE divisionalised countries, characterised by two divisions grouping all bank's activities (Bulgaria, Croatia, the Czech Republic, Hungary, Romania and Russia) and the 13 locally divisionalised countries, adopting a "Universal Banking" model and reinforcing customer base segmentation in line with Group divisionalisation criteria and thresholds (Azerbaijan, Bosnia and Herzegovina, Estonia, Kazakhstan, Kyrgyztsan, Latvia, Lithuania, Serbia, Slovakia, Slovenia, Tajikistan, Turkey and Ukraine).

  – ***CEE CIB & PB Division*** coordinates the Corporate Banking, Investment Banking and Private Banking Divisions in CEE divisionalised countries (Bulgaria, Croatia, the Czech Republic, Hungary, Romania and Russia).

Centralised Product Factory/Key Business Functions

The Centralised Product Factory/Key Business Functions are:

- ***Household Financing Division***, which coordinates the specialised banks and companies who supply mortgages (UniCredit Banca per la Casa), or consumer finance/credit cards (UniCredit Consumer Financing) as a global business, within all geographic areas, including CEE and Poland's Markets, guiding, supporting and controlling the development of the business activities at regional level;

- *Markets & Investment Banking Division*, which directly coordinates the Markets & Investment Banking business line, the relevant activities within the Group's foreign branches and the MIB specialised Banks/legal entities. It is also responsible for the development of the MIB global business in Poland and the Central Eastern European countries;
- *Global Transaction Banking Division*, with the main objective of developing trade finance/cash management services and products, managing and developing foreign business relationships with the Global Financial Institutions on the basis of a centralised approach, in close co-operation with the competent Holding Company functions/Divisions and with the legal entities;
- *Leasing Division*, responsible for the coordination of leasing activities performed within the Group;
- *Asset Management Division*, responsible for the development of Asset Management as a global business in all geographies, including CEE and Poland's Markets, guiding, supporting and controlling the development of the business activities at a regional level through the dedicated intermediate holding company and the related specialised legal entities; and
- *Retail Marketing & Segments department*, with the main objective of defining strategies to increase the global value of clients' portfolio over time, through the increase of the market's share and profitability, taking care of the product and service models innovation, coordinating and controlling the efficacy and adequacy of the products in relation to the reference markets of the banks in the Retail Perimeter Area.

Organisation and Service Functions

The Organisation and Service Functions are:

- *Group Organisation and Global Sourcing* with the main objective of ensuring the consistency of the evolution of the organisational and operating models of the Group with the business strategies and of supporting the maximisation of quality of services provided by the GBS functions, directly or through the relevant Service Factories, optimising purchasing and distribution costs of the Group's common products/services.
- *Group Information & Communication Technology (ICT)* with the main objective of ensuring the consistency, at Group level, of ICT strategies and plans and of maximising cost synergies in the IT sector;
- *Banking Services*, with the main objective of assuring the strategic and managerial coordination of the legal entities/structure dedicated, within the Group, to the execution of back-office services, of credit collections, of card payment solutions and of ICT companies;
- *GBS CEE Globalisation*, with the main objective of supporting the competent functions of the GBS Area, in particular Banking Services and Group Real Estate, in the globalisation of the related operational activities;
- *Security*, with the main objective of evaluating, developing, implementing, updating and monitoring the management and governance of security matters in the Holding Company and legal entities;
- *Group Real Estate*, with the main objective of exercising a role of guidance, support and control of the legal entities/structures involved in the "Real Estate" business;
- *Legal Affairs*, with the main objective of providing support to the Divisions for litigations and intra-group contracts, providing support, for the legal aspects it is competent for, M&A activities and acting as a focal point for the Divisions/Regions for the legal themes of interest;
- *Legal M&A*, with the main objective of providing legal support, at Group level, to M&A activities, in the phases of feasibility checks, management of shareholders agreements (whose administration remains in charge of Shareholding function), negotiation, coordination of external counsels, definition of the relevant documents and agreements, relationships with the Authorities and interface with the other competent Holding Company functions; and
- *Group Identity and Communications*, with the main objective of building and spreading the corporate image, values, culture and identity which are consistent and may be pursued in time, through internal and external communication activities.

SIGNIFICANT OR MATERIAL CHANGE

Save as disclosed in "*Recent Developments*" above, there has been no significant change in the financial or trading position of UniCredit and its subsidiaries taken as a whole since 30 June, 2008 and there has been no material adverse change in the prospects of UniCredit or the Group since 31 December, 2007.

LEGAL PROCEEDINGS

The following are the legal proceedings pending in which the Group is a defendant and the amount claimed is equal to or exceeding €100 million (tax, labour law and debt recovery proceedings are not included). In addition, other legal proceedings are disclosed which UniCredit considers material but in which the amount claimed is less than €100 million.

Damages claims against UniCredit, its CEO and HypoVereinsbank's CEO ("Hedge Funds Claims" and "Vzfk Claim")

At the beginning of July 2007, eight hedge funds, being minority shareholders of HVB submitted a writ of summons to the Munich Court I for damages allegedly suffered by HVB as a consequence of certain transactions regarding the transfer of shareholdings or business lines from HVB, after its entry into the Group, to UniCredit or other Group companies (or *vice versa*). In addition they argue that the cost of the reorganisation of HVB should be borne by UniCredit.

The defendants in the lawsuit are UniCredit, its CEO (Mr. Alessandro Profumo) and the spokesman of the management board of HVB (Dr. Wolfgang Sprißler). The plaintiffs are seeking: (i) damages in the amount of €17.35 billion payable to HVB; (ii) that the Munich Court order UniCredit to pay HVB's minority shareholders appropriate compensation in the form of a regular dividend from 19 November, 2005 onwards.

The defendants, while aware of the risk that any such suit inevitably entails, are of the opinion that the claims are groundless, bearing in mind that all the transactions referred to by the plaintiffs were effected on payment of consideration which was held to be fair *inter alia* on the basis of external independent opinions and valuations. For these reasons no provision has been made.

The plaintiffs, together with another shareholder, have also filed suit against HVB on the basis described above, seeking to have HVB's annual financial statements for the 2006 financial year declared null and void because the above-mentioned claims were not recognised in the balance sheet.

The defendants lodged their defences with the Munich Court on 25 February, 2008; the date of the first hearing has not yet been set by the Court.

Another shareholder (Verbraucherzentrale fur Kapitanleger, **Vzfk**) raised a further claim against UniCredit, Mr. Alessandro Profumo and Dr. Wolfgang Sprißler. The plaintiff alleges joint and several liability of the defendants according to the German Stock Corporation Act (**AktG**) and asserts that UniCredit as controlling shareholder (without a "domination agreement" between the major shareholder and HVB) caused HVB (i.e., its management board and its supervisory board) to effect an "illegal integration" in order to change HVB's strategy, reduce the geographic scope of HVB's activity without justification and implement several measures which were to the detriment of HVB such as the Business Combination Agreement, the "Restated Bank of Regions Agreement" concluded in 2006 between UniCredit, AV-Z Stiftung and Betriebsratsfonds des Betriebsrats der Angestellten der Bank Austria Creditanstalt AG Großraum Wien, and the sale of HVB's interests in several companies. The plaintiff claims damages in the amount of €173.5 million (plus interest), expressly stating that this amounts to 1 per cent. of the claim raised by the hedge funds; at the same time the plaintiff asks for declarative ruling by the court that UniCredit compensate HVB minority shareholders by paying additional amounts calculated from 19 November, 2006. The plaintiff expressly requests that the new claim be combined with the Hedge Fund Claims.

Appointment of a special representative following the sale of Bank Austria and damages claims against UniCredit, its CEO and others ("Heidel Action")

On 27 June, 2007 the Annual General Meeting of HVB passed, *inter alia*, a resolution authorising a claim for damages to be made against UniCredit, its legal representatives, and the members of HVB's management board and supervisory board, citing alleged prejudice to the bank due to the sale of the Bank Austria shares and the Business Combination Agreement (**BCA**) entered into with UniCredit. Dr. Thomas Heidel, a solicitor,

was appointed Special Representative to pursue the alleged claims. To this end the Special Representative was granted the authority to examine documents and obtain further information from the company.

Having performed part of his investigations within HVB, in December 2007 the Special Representative called on UniCredit to return the Bank Austria shares it had acquired to HVB. In January 2008 UniCredit replied to the Special Representative stating that in its view such a request was completely unfounded for a number of reasons.

On 20 February, 2008 Thomas Heidel, in his capacity as Special Representative of HVB, filed a petition against UniCredit S.p.A., its CEO, Alessandro Profumo, as well as against HVB's CEO, Dr. Wolfgang Sprißler, and its CFO, Rolf Friedhofen, requiring the defendants to return the Bank Austria shares and to reimburse HVB for any additional losses in this matter or – if this application is not granted by the Court – to pay damages in the amount of at least €13.9 billion. The suit refers to the damage claim filed against UniCredit, its CEO and the CEO of HVB (the "Hedge Funds Claim"; see discussion above) and is supported by further arguments.

The writ has not yet been served on UniCredit or its CEO. A study of the case has however been initiated with a view to preparing the defence pleas.

The special representative informed HVB on 10 July, 2008 that he had filed an extension of the claim with the court and will ask for additional payment of €2.92 billion, and applied for a ruling to the effect that the defendants are obliged to compensate HVB for any other loss or damage arising from HVB's capital increase against contribution of the investment banking business of UBM – UniCredit Banca Mobiliare S.p.A. The claim was served upon HVB's CEO, Dr. Wolfgang Sprißler, and HVB's CFO, Mr. Rolf Friedhofen, on 1 August, 2008. UniCredit is of the view that it is doubtful that such extension was covered in the grant of authority contained in the resolution adopted at the General Meeting of 27 June, 2007.

Civil proceedings with respect to corporate defaults of the Cirio and Parmalat groups

Cirio and Parmalat, two large Italian groups engaged in the food industry, defaulted on their corporate bonds in November 2002 and December 2003, respectively. At the time of their default, these two companies had an aggregate of €1,125 million and €7,200 million in bonds outstanding, respectively. As a result of these defaults, both companies are currently subject to extraordinary administration (*amministrazione straordinaria*), a special procedure provided by Italian law applicable to large insolvent corporations.

Cirio

In April 2004 the Administrator of Cirio Finanziaria S.p.A. served notice on Sergio Cragnotti and various banks including Capitalia S.p.A. (recently absorbed by UniCredit) and Banca di Roma S.p.A., of a petition to obtain a judgment declaring the agreement with Cirio Finanziaria S.p.A. invalid on the grounds of illegality. The purpose of the agreement was to sell the dairy company Eurolat to Dalmata S.r.l. (Parmalat Group). The administrator subsequently requested that Capitalia S.p.A. and Banca di Roma S.p.A. be found jointly liable to pay back a sum of approximately €168 million, and that all the defendants be found liable to pay damages of €474 million.

The Administrator also requested, in the alternative, the rescission pursuant to Article 2901 Italian Civil Code of the deeds of settlement made by Cirio Finanziaria S.p.A. and/or repayment by the banks of the sums paid over by Cirio under the agreement in question, on the grounds of unjust enrichment.

In May 2007 the case was retained for the judge's ruling. No preliminary investigation was conducted. As regards this dispute, and given the opinion of the defence counsel, it was not deemed necessary to make any provision in the balance sheet insofar as the claim seems unfounded both from a litigation viewpoint and with regard to its general, rather vague, nature.

In February 2008 an unexpected ruling of the Court ordered Capitalia S.p.A. jointly and severally with Mr. Cragnotti to pay the sum of €223.3 million plus currency appreciation and interest accrued from 1999.

UniCredit S.p.A. has appealed, requesting suspension of the execution of the judgment in the lower court.

In April 2007 certain Cirio group companies in administration filed a petition against, *inter alia*, Capitalia S.p.A. (now UniCredit S.p.A.), Banca di Roma S.p.A., UniCredit Banca Mobiliare S.p.A. (now UniCredit S.p.A.) and other banks for damages arising from their role as arrangers of bond issues by Cirio group

companies, which according to the plaintiffs were already insolvent at that time. Damages claimed jointly from all defendants have been quantified as follows:

(i) for the increase of the losses entailed by the claimants' bankruptcy: in a range of €421.6 million to €2.082 billion (depending on the criteria applied);

(ii) fees paid by some of the claimants to the lead managers for the placement of bonds: a total of €9.8 million; and

(iii) the loss suffered by Cirio Finanziaria S.p.A. due to the impossibility of recovering, by post-bankruptcy clawback, at least the amounts used by Cirio Finanziaria S.p.A. between 1999 and 2000 to cover the debts of some companies of the group: an amount to be determined during the proceedings,

in each case with the addition of interest and currency appreciation from the date owed to the date of payment.

The judge refused the plaintiffs' request for a preliminary examination and the case was heard on 12 June, 2008 and reserved for judgment. UniCredit S.p.A., having noted the opinion of its defence counsel, believes the action to be groundless and is therefore confident that the judgment will be favourable. Accordingly, at present no provisions have been made.

Finally, on 30 October, 2007, International Industrial Participations Holding IIP N.V. (former Cragnotti & Partners Capital Investment N.V.) and Sergio Cragnotti brought a civil action against UniCredit S.p.A. (as successor to Capitalia) and Banca di Roma S.p.A. for compensation of at least €135 million allegedly resulting (as actual damage and loss of profits):

(i) from the breach of financial assistance undertakings previously executed in favour of Cragnotti & Partners Capital Investment N.V., Sergio Cragnotti, Cirio Finanziaria and the Cirio group, causing the insolvency of the group; and

(ii) from an illegitimate refusal to provide to Cirio Finanziaria S.p.A. and to the Cirio group the financial assistance deemed necessary to repay a bond expiring on 6 November, 2002, acting with a lack of good faith and unfairly.

UniCredit S.p.A. and Banca di Roma S.p.A. believe the claim to be completely groundless. No financial undertakings were made to Mr. Cragnotti. Accordingly, and seeing that the case is just beginning, no provision has been made at present.

Parmalat

On 1 August, 2008 UniCredit reached a settlement with both Parmalat S.p.A. ("*assuntore*" in the Parmalat Settlement Agreement) and the Extraordinary Commissioner of the companies under Extraordinary Administration belonging to the Parmalat Group, Parmatour Group, Parma Calcio and other companies still under Extraordinary Administration, for all mutual relations and claims involving the Group (including the former Capitalia Group) with reference to the period prior to the declaration of insolvency of the Parmalat Group and in relation with such insolvency.

Under the terms of the settlement, the Group paid the sum of €271.7 million for the out-of-court settlement of current and potential claw-back actions and claims for compensations. The Group has further waived its rights to opposition proceedings and to authorised debts still outstanding. The Extraordinary Commissioner has undertaken to waive any further claw-back actions or claims for compensation against UniCredit for contributing towards causing and deepening insolvency, by forgoing or withdrawing from any claims as civil party in criminal proceedings.

Criminal proceedings with respect to the corporate defaults of the Cirio and Parmalat groups

Between the end of 2003 and the early months of 2004, criminal investigations of some former Capitalia Group (now UniCredit S.p.A.) employees and managers were conducted in relation to the insolvency of the Cirio group. The trials originated by these investigations, connected to the declaration of insolvency of the Cirio group, involved some other banking groups that, like the former Capitalia S.p.A., had extended loans to the Cirio group.

The Administrator of Cirio and many bondholders joined the criminal judgment as civil claimants without specifying damages claimed.

In September 2007 these employees and managers were committed for trial. The first criminal hearing was held on 14 March, 2008 before the Rome Court. During a later hearing numerous Cirio bondholders cited UniCredit S.p.A. and UniCredit Banca di Roma S.p.A. as legally liable, while the Administrator of Cirio cited only UniCredit S.p.A. as legally liable. Subsequent hearings are expected to be held between December 2008 and March 2009.

In 2003-2005 certain employees and managers of Capitalia (now UniCredit) were investigated in relation to the Parmalat group bankruptcy. These investigations led to three criminal proceedings: "Ciappazzi", "Parmatour" and "Eurolat". In July 2007 certain employees and managers were committed for trial under the first two of these proceedings, and the first court hearing took place on 14 March, 2008 before the Parma Court. These proceedings have been postponed to November 2008.

The person charged under "Eurolat" was committed for trial in April 2008. At the hearing held on 18 June, 2008, the Court of Parma declared that it did not have jurisdiction and transferred the trial papers to the Court of Rome, which was considered competent.

Capitalia S.p.A., now UniCredit S.p.A., was summoned by the Court as being legally liable in all three proceedings. Banca di Roma, Mediocredito Centrale and Banco di Sicilia of the former Capitalia Group are defendants only in the Ciappazzi lawsuit.

Parmalat Group companies in administration joined the criminal proceedings as civil claimants in all the above mentioned trials but, under the terms of the above mentioned settlement of 1 August, 2008 Parmalat S.p.A. agreed to discontinue all civil claims. Many bondholders are plaintiffs only in the Ciappazzi suit. All the civil claimants' lawyers reserved the right of bondholders to quantify damages at the end of the first-instance trials. In the Eurolat proceedings the position of UniCredit S.p.A. as being legally liable and the civil claims of Parmalat group companies lapsed following transfer of the case to the Court of Rome.

The staff members involved in the above trials are of the opinion that they carried on their business in a proper and legal manner. On the basis of the views of outside counsel as well as ours, it is at present not possible to reliably estimate the contingent liability arising out of the three above cases, although there is a potential risk of legal liability for UniCredit due to the complexity of the imputations. This is also due to the fact that the "Ciappazzi" and "Parmatour" proceedings are at an early stage and that the Court of Parma has declared that it did not have jurisdiction to hear the "Eurolat" trial.

Fin.Part S.p.A. acquisition of Cerruti Holding Company

At the beginning of August 2008, the bankruptcy administration of Fin.Part S.p.A. (**Fin.Part**) brought a civil action against UniCredit S.p.A., UniCredit Banca S.p.A., UniCredit Corporate Banking S.p.A. and another bank claiming the defendants' contractual and tort liability. Fin.Part claims, jointly or severally from each bank for the amount that will be proved in the course of the proceeding, that it is entitled to compensation from the defendants for the damages suffered by Fin.Part and its creditors as a consequence of the acquisition of Cerruti Holding Company (**Cerruti**).

The lawsuit claims that the defendants acted fraudulently in assisting Fin.Part, in 2000 and 2001, in financing the Cerruti acquisition by the issue, through a Luxembourg subsidiary of Fin.Part, of a bond for a total amount of €200 million. The claim is that Fin.Part was not in the condition to absorb, with its own resources, the acquisition of Cerruti and that the financial obligations connected with the bond's payment caused the default of the company.

The bankruptcy procedure seeks damages in the amount of €211 million, which is the difference between the liabilities (€341 million) and the assets (€130 million) of Fin.Part's estate or in a different amount to be assessed by the court. The defendants are also asked to return all the sums they have received as fees, commissions and interest for the alleged fraudulent activities. The first hearing is fixed for 18 December, 2008. The Group is assessing the content of the summons to evaluate whether the holding company UniCredit S.p.A., in light of the corporate transactions carried out within the reorganisation of the Group, has the capacity to be sued or not. In any event, the Group believes the claim to be groundless.

Divania S.r.l

In the first half of 2007, Divania Srl filed a suit against UniCredit Banca d'Impresa S.p.A. (now UniCredit Corporate Banking S.p.A.) in relation to interest-rate and currency derivatives created between January 2000 and May 2005 by Credito Italiano S.p.A. initially and subsequently by UniCredit Corporate Banking S.p.A. under a total of 206 contracts. The citation, which requests that the contracts be declared non-existent or

failing that null and void or to be cancelled or terminated and that UniCredit Corporate Banking S.p.A. be found liable to pay a total amount of €276.6 million in addition to legal costs and interest (reserving the right to act on its own discretion to claim for the losses allegedly sustained), was served on 26 March, 2007 in the courts of Bari pursuant to the new company procedure. UniCredit Corporate Banking S.p.A. duly gave notice that it would defend the action. Following the request of the fixing hearing, the judge stated the collegial hearing on 3 March, 2008 in which the parties lodged their final briefs. With a subsequent order of 16 June, 2008 the panel of judges appointed two experts. At the hearing of 10 October, 2008 the said experts were sworn in, and the judge set the next hearing for 25 November, 2009 to enable the parties to plead, in respect of CTU, by means of briefs to be deposited before 15 October, 2009.

According to UniCredit Corporate Banking S.p.A. the claimed amount is absolutely disproportionate in respect of the actual litigation risk, since the amount claimed was determined by adding up all the debit entries made (in an amount that is much bigger then the effective one) without considering the credit entries which drastically reduce the claimant's demands. In addition, the writ of summons (*atto di citazione*) does not take into consideration the fact that a settlement (executed on 8 June, 2005) had been reached referring to the challenged transactions, by which the plaintiff declared that it would make no further claim for any reason with reference to the transactions now disputed. UniCredit Corporate Banking S.p.A. believes that the maximum amount at risk might be €4 million, that is the sum that was debited to the plaintiff's account when the settlement was reached. For the above reasons a prudential provision of €2 million has been made.

Valauret S.A. litigation

In 2001 the plaintiffs (Valauret S.A. and Mr. Hughes de Lasteyrie du Saillant) bought shares in the French company Rhodia S.A. (**Rhodia**). They allege that they suffered losses due to a fall in the price of Rhodia shares in 2002 and 2003 and argue that the loss of value was caused by earlier fraudulent activities committed by the members of Rhodia's managing board. In 2004, the plaintiffs first filed a petition claiming damages from Rhodia board members and auditors, as well as from Aventis S.A. (the alleged majority shareholder of Rhodia S.A.). Later they extended their claims step by step to a total of 14 defendants, the latest being Bank Austria (against which a petition was filed at the end of 2007) as successor of Creditanstalt AG, which the plaintiffs allege was involved in the alleged fraudulent activities. Valauret S.A. seeks damages in the amount of €129.8 million plus costs.

The allegations as to an involvement of Creditanstalt AG in the alleged fraudulent activities are completely unfounded. Since 2006, i.e. before the claims were extended to Bank Austria, there has been a stay of the civil proceedings due to the opening of criminal proceedings.

At the hearings held in 2008, only procedural matters were considered.

Treuhandanstalt litigation

There is pending against AKB Privatbank Zürich AG (**AKB**, formerly Bank Austria (Schweiz) AG), a former subsidiary of Bank Austria AG, a suit relating to alleged claims of Treuhandanstalt, the German public body for reconstruction in the former East Germany, the predecessor of the Bundesanstalt für vereinigungsbedingte Sonderaufgaben (BvS). AKB is indemnified by Bank Austria, therefore any occurring loss in this case will ultimately be borne by Bank Austria. One of the claims in the proceedings is that the former subsidiary participated in the embezzlement of funds from companies in the former East Germany. BvS seeks damages in the amount of approximately €128 million plus interest. On 25 June, 2008 the court of first instance in Zurich dismissed BvS' claims except for an amount of approximately €320,000 that constitutes a transaction fee that was, in the opinion of the court, wrongfully charged by the Bank Austria subsidiary. The judgment of first instance confirmed that Bank Austria acted substantially correctly. BvS has filed an appeal.

General Broker Service S.p.A.

At the beginning of February 2008 General Broker Service (**GBS**) started an arbitration proceeding against UniCredit whose ultimate aim is to obtain: (i) a declaration that the withdrawal from the insurance brokerage agreement notified by the Capitalia Group in July 2007 is illegitimate and ineffective; (ii) the re-establishment of a right of exclusivity originated by a 1991 agreement; (iii) a declaration of the violation of the abovementioned right of exclusivity for the period 2003-2007; (iv) compensation for the losses incurred in the amount of €121.7 million; and (v) a declaration that UniCredit shall not be allowed to participate in any public auctions through its subsidiaries if not in association with GBS.

The 1991 agreement, which contained an exclusivity obligation, had been executed between GBS and Banca Popolare di Pescopagano e Brindisi. In 1992 this bank merged with Banca di Lucania and became Banca Mediterranea. In 2000 Banca Mediterranea was merged into Banca di Roma S.p.A. which later became Capitalia S.p.A. (now UniCredit S.p.A.).

The brokerage relationship with GBS, having its roots in the 1991 contract, was then ruled by (i) an agreement signed in 2003 between GBS, AON S.p.A. and Capitalia S.p.A., whose validity had been postponed till May 2007 and (ii) a similar, newer agreement signed in May 2007 between GBS, AON S.p.A. and Capitalia Solutions S.p.A., in its own name and as proxy of commercial banks and in the interest of the previous Capitalia Group, holding company included.

In July 2007 Capitalia Solutions S.p.A., on behalf of the entire Capitalia Group, exercised its right of withdrawal from the above contract in accordance with the terms of the contract (in which it is expressly recognised that the entities/banks of the former Capitalia Group should not be obliged to pay to the broker any amount for whatever reason).

Since the arbitration proceedings are still in the preliminary phases, UniCredit believes that the request raised by GBS is unfounded and no provisions have been made.

Real estate finance and financing of purchases of shares in real estate funds

HVB might face the risk that some of its customers may decide to cancel property loan agreements stipulated with HVB pursuant to the provisions set forth in the German Doorstep Transactions Rescission Act (*Haustürwiderrufs Gesetz*). In this event, the customer, who is required to demonstrate that the conditions for cancelling the contract have been met, must repay the outstanding loan amount to HVB, including interest at customary market rates, even after cancellation of the loan agreement. According to a ruling issued by the European Court of Justice dated 25 October, 2005, the relevant German legal provisions do not contravene European law. The European Court of Justice also called for the investment risk to be assumed by HVB in certain cases because of a failure to explain the right to cancel the contract. However, this applies only if the customer can prove that he would not have made the investment if he had been aware of this right; in addition, the German Supreme Court has decided that HVB would only have to assume the investment risk in case of culpable actions.

In addition, HVB's claim to repayment remains in effect even if the borrower issued an invalid proxy to a third party and HVB relied on the validity of the proxy. Experience gained to date shows that HVB was successful in the majority of the civil proceedings in these cases in the past.

The most recent German Supreme Court decision on this matter confirmed the narrow conditions in which an advisory obligation would be imposed on HVB. In cases of institutionalised collaboration, the German Supreme Court (in a decision dated 16 May, 2006) makes it easier for investors to provide evidence of violations of this obligation. This new concept will only be fully explained by decisions in individual cases in the future.

If HVB finances the purchase of shares in real estate funds for the borrower with a loan not secured by a real property lien, the borrower can, if the transaction qualifies as a "related transaction", dispute the claim of the financing bank to repayment on the basis of objections which the borrower is entitled to assert against the seller or agent in the fund transaction because of improper advice. Consequently, HVB has no claim against the borrower to repayment of the loan if it utilised the sales organisation of the agent arranging the sale of shares in the fund, the loan was disbursed directly to the fund, and the investor was misled when purchasing the shares or if the borrower enjoys the right to cancel such agreements. The ruling also stated that the borrower in each individual case would have to demonstrate that these prerequisites were met. From the information currently available to it, HVB believes that these circumstances will apply, if at all, only in exceptional cases.

Bank Austria proceedings with the European Commission and claims of Austrian consumer protection associations

In June 2002, the European Commission imposed a fine in the amount of approximately €30 million on Bank Austria for alleged illegal fixing of interest rates, prices of several banking products for retail customers as well as other terms. Similar fines in an aggregate amount of approximately €94 million were imposed on seven other Austrian banks. Bank Austria challenged the imposition and the amount of the fine before the European Court of First Instance, which rendered its decision on 14 December, 2006 and upheld the

European Commission's decision regarding the fines imposed on seven of eight banks (including Bank Austria). Bank Austria filed an appeal against this decision to the ECJ. The fine imposed would not materially affect Bank Austria's financial position or results of operation even if the ECJ were to reject its appeal.

Certain Austrian consumer protection associations and politicians have announced that they are considering bringing claims for damages against certain banks (including Bank Austria) involved in EU proceedings regarding alleged price-fixing that resulted in fines being imposed under Article 81 of the EC Treaty (and which are now under appeal by the banks). Bank Austria believes that, as a legal matter, it is uncertain whether a violation of Article 81 of the EC Treaty may give rise to private claims for damages by individual customers or consumer protection associations. As at the date of this Prospectus, no actions have been filed against Bank Austria on this basis. Bank Austria would consider such actions to be without merit for a variety of reasons. Furthermore, Austrian consumer protection associations have alleged that banks in Austria have been charging their customers excessive interest and fees in contravention of Austrian consumer protection laws. Whether and to what extent such claims are justified depends on individual circumstances and various legal issues which, to date, have not been finally resolved by the Austrian courts. In view of the uncertain legal situation, the Austrian Savings Banks Association entered into two settlement arrangements with Austrian consumer protection associations. In order to avoid litigation with customers or consumer protection associations, Bank Austria declared that it will act in accordance with the settlement arrangements. However, other Austrian credit institutions are still involved in civil proceedings, and court decisions rendered against those credit institutions may have adverse consequences for the entire banking industry in Austria. Bank Austria believes that the declaration made should largely avoid such adverse consequences for Bank Austria. In January 2006, a decision of the Austrian Supreme Court concerning the adjustment of interest rates of savings books was issued against a competitor. Currently the amounts of interest which might have to be refunded cannot be evaluated. No serious risk assessment of a potential litigation against Bank Austria can be made at the moment. At present there are no legal proceedings pending against Bank Austria in this regard.

Medienfonds lawsuit

The number of lawsuits against HVB concerning VIP Medienfonds 4 has continued to increase in 2008. The lawsuits have been filed against HVB primarily on the basis of an alleged breach of a pre-contractual duty of disclosure and prospectus errors for which HVB and other banks or persons involved in the distribution of financing are allegedly to blame. So far only a few rulings have been made by the courts of first instance, some of them in favour of HVB, others against HVB. The rulings against HVB were based exclusively on an alleged breach of a pre-contractual duty of disclosure. The court of appeal has recently rescinded some of these rulings, with the proceedings being adjourned to be continued by the courts of first instance. As regards prospectus liability, the Munich Higher Regional Court is soon due to begin hearing a test case pursuant to the Capital Markets Model Case Act (KapMuG). The ruling in the test case will clarify in general which of the several defendants, including HVB, are responsible for the content of the prospectus and whether the prospectus contains the errors alleged by the plaintiffs. Although HVB faces a large number of lawsuits and various decisive issues still remain unclear, HVB at present does not expect serious consequences from these legal disputes.

Trade tax allocation dispute between Hypo Real Estate AG, Hypo Real Estate International AG and HVB

Up to and including 2001, HVB was the controlling entity of a consolidated group under trade tax law. In this respect, it collected or, as the case may be, refunded trade tax allocations (*Gewerbesteuerumlagen*) to various subsidiaries which belonged, according to the former statutory trade tax model, to the trade tax group of HVB or its legal predecessors. Hypo Real Estate Bank AG and Hypo Real Estate International AG have filed a lawsuit before the Regional Court Munich I demanding repayment of approximately €75.5 million plus interest (approximately €105 million) plus disbursements for alleged overpayments. On 29 April, 2008, the Regional Court Munich I ruled in favour of the plaintiffs. After consulting its external legal advisors and in reliance on legal opinions obtained on this matter, HVB appealed the ruling, believing that the judgment is inconsistent with the principle of causal responsibility and that the plaintiffs are not entitled to their claims. No final decision on this matter is expected to be given for at least two to four years. However, having taken into consideration the unfavourable first ruling of the Court and the complexity of the corporate and tax matters at issue, HVB decided to make an adequate provision.

Falke Bank AG i.L. – Westfalenbank AG

In 2002 HVB transferred its 99.8 per cent. equity stake in Westfalenbank AG to Falke Bank AG as combined contribution in kind with additional cash payment from Falke Bank AG to HVB. The value of the transferred equity was approved by an external valuation expert of Falke Bank AG. In 2004, the shareholders meeting of Falke Bank AG resolved on the liquidation of Falke Bank AG. On 29 August, 2007 the shareholders meeting of Falke Bank AG i.L. resolved on its final account in order to complete the liquidation procedures. This resolution was challenged by several shareholders of Falke Bank AG i.L. who, *inter alia*, argue that the liquidator failed to assert claims against HVB arising from the 2002 combined contribution in the amount of €58 million plus interest. Falke Bank AG, as defendant in said action, is, like HVB, of the opinion that the alleged claims are unfounded. However Falke Bank AG i.L. as a precaution asked HVB to join the legal proceeding on part of the defendant as in case of a final judgment contrary to its opinion Falke Bank AG i.L. could be obliged to assert such claims against HVB.

Court proceedings of HVB shareholders

Shareholders have filed a suit contesting the resolutions adopted by the Annual General Meeting of HVB on 12 May, 2005. To the extent to which the suit against the resolution to discharge the Supervisory Board members for the 2004 financial year was sustained, the ruling has no material effects on HVB since the resolution was repeated at the Annual General Meeting of 23 May, 2006, effectively discharging the Supervisory Board members for the 2004 financial year. As to the contestation of the resolutions electing Supervisory Board members and the auditor of the annual financial statements, Munich Regional Court I rejected the suit; the ruling is not yet final.

Other legal proceedings relating to the restructuring of the Group

Action challenging the validity of resolutions of the Extraordinary Shareholders' Meeting of 25 October, 2006 approving HVB's transfer of its Bank Austria stake to UniCredit

Numerous minority shareholders have filed suit contesting the resolutions of the Extraordinary Shareholders' Meeting on 25 October, 2006 approving the share purchase agreements with UniCredit regarding the shares held by HVB in Bank Austria Creditanstalt AG (later renamed UniCredit Bank Austria AG) and in JSCB HVB Bank Ukraine, the share purchase agreements with Bank Austria Creditanstalt AG regarding the shares held by HVB in Closed Joint Stock Company International Moscow Bank (**IMB**) (later on renamed ZAO UniCredit Bank, Moscow) and in HVB Bank Latvia AS (later renamed AS UniCredit Bank, Riga) and the asset purchase agreements with HVB Bank Latvia AS regarding the branches of HVB in Vilnius und Tallinn, asking the court to declare these resolutions null and void. One of the preconditions stipulated in the purchase and transfer agreements for the execution of the transactions is due diligence on the part of the Management Board, on the basis of a report prepared by an external legal consultant, that the approving resolutions are free from any deficiencies which prevent the execution of the agreements in question. After the Management Board had adopted – on the basis of external assessments – a resolution meeting the aforementioned precondition at the beginning of January 2007, the shares held by HVB in Bank Austria Creditanstalt AG were transferred to UniCredito Italiano S.p.A., and the shares held by the Bank in IMB and HVB Bank Latvia AS were transferred to Bank Austria Creditanstalt AG. After the other requirements for execution of the transactions were met, the branches in Vilnius and Tallinn were transferred to HVB Bank Latvia AS and the shares held by the Bank in JSCB HVB Bank Ukraine to Bank Pekao S.A.

The minority shareholders filed suit claiming alleged deficiencies in the formalities relating to the invitation and conduct of the Extraordinary Shareholders' Meeting of 25 October, 2006 and the allegedly inadequate purchase price paid. In a ruling of 31 January, 2008, Munich Regional Court I declared the resolutions passed at the Extraordinary Shareholders' Meeting on 25 October, 2006 null and void for formal reasons. The court was of the opinion that the business combination agreement (**BCA**) entered into by HVB and UniCredit on 12 June, 2005 was not described in sufficient detail in the invitation to the shareholders' meeting, particularly with regard to the provisions of the BCA regarding the court of arbitration and the choice of law; and the court stated that shareholders' questions regarding specific alternative valuation parameters were not dealt with adequately. The court did not decide on the issue of the allegedly inadequate purchase price. At the same time, the court ruled according to a filing of some minority shareholders that the BCA would have to be submitted to a general shareholders' meeting for approval to become valid because it would represent a "hidden" domination agreement.

HVB has appealed against this ruling and is of the opinion that the provisions of the BCA considered by the court to be material were in fact not material in relation to the purchase agreements submitted to the Extraordinary Shareholders' Meeting on 25 October, 2006, which contain separate arrangements, and that

the question of individual alternative valuation parameters did not affect the purchase agreements submitted to the shareholders' meeting for approval. In addition, HVB is of the opinion that the BCA does not constitute an undisclosed domination agreement, also in view of the fact that in the BCA the conclusion of a domination agreement was explicitly excluded for five years following the successful take-over-offer.

As a precaution, in its General Shareholders' Meeting of 29 and 30 July, 2008 HVB has also obtained confirmation of the resolutions passed by the Extraordinary Shareholders' Meeting of 25 October, 2006. If these confirmatory resolutions become binding, any alleged deficiencies in the shareholders' meeting will become irrelevant. In August 2008, several shareholders raised claims against the confirmatory resolutions; the outcome of the proceedings is currently pending.

Squeeze-out and other resolutions adopted at the Annual General Shareholders' Meeting 2007

The Annual General Meeting of HVB held on 27 June, 2007 passed resolutions approving the transfer of the shares of minority shareholders to UniCredit in exchange for a cash settlement of €38.26 per share, and discharging the members of the Management Board and Supervisory Board for the 2006 financial year. A motion requesting the appointment of a special auditor was rejected. More than 100 shareholders filed suits challenging these resolutions or asking courts to declare them null and void, particularly the resolution on the transfer of the shares of the external shareholders. In addition, a shareholder filed suit asking the court to declare that UniCredit and its subsidiaries do not have rights stemming from the shares in HVB.

HVB believes that the lawsuits challenging the resolutions have no prospect of success and filed a motion on 7 December, 2007 asking the court to grant clearance for the transfer resolution to be entered in the commercial register, notwithstanding the lawsuits challenging this resolution and seeking rulings or asking for the court to declare resolutions or transactions null and void. The special representative has joined both sets of legal proceedings regarding the resolutions adopted at the Annual General Shareholders' Meeting on 26 and 27 June, 2007 as an intervenor.

On 24 April, 2008 the Munich Regional Court I granted the clearance motion stating that all claims against the squeeze-out resolution are unfounded, and in the same ruling the court rejected the intervention of the special representative; several shareholders appealed against this decision. In its ruling of 3 September, 2008, the Munich Higher Regional Court dismissed the appeals stating that the claims against the squeeze-out resolution adopted at the Annual General Meeting of 26 and 27 June, 2007 were obviously unfounded. On 28 August, 2008 the Munich Regional Court I dismissed the claims against the resolutions adopted during the Annual General Meeting. Based on these decisions, HVB is confident that the contestation claims against all resolutions adopted during the Annual General Meeting in 26 and 27 June, 2007 will be rejected, including any shareholder appeals, even though the outcome of the proceedings is still pending. Two shareholders, who raised additional claims at Munich Regional Court against the squeeze-out-resolution adopted at the shareholders meeting in June 2007 and asked the court to state the nullity of said resolution, abandoned their claims on 3 September, 2008; in turn HVB, which on 7 August, 2008 submitted an unblocking motion, withdrew its request.

The Annual General Meeting of HVB held on 27 June, 2007 also approved a resolution authorising claims against UniCredit S.p.A. and HVB in relation to the sale of Bank Austria shares, and appointed Dr. Thomas Heidel as Special Representative. See '*Appointment of a special representative following the sale of Bank Austria and damages claims against UniCredit, its CEO and others ("Heidel Action")*', above.

Arbitration proceeding regarding the cash settlement for Vereins– und Westbank AG

The extraordinary shareholders' meeting of Vereins– und Westbank AG held on 27 June, 2004 approved the transfer of shares of minority shareholders of Vereins– und Westbank AG to HVB. After settling legal challenges to this transfer, HVB paid the minority shareholders of Vereins– und Westbank AG an increased cash settlement of €26.65 per share. Notwithstanding this arrangement, numerous minority shareholders have exercised their right to have the €26.65 cash compensation reviewed in special judicial proceedings pursuant to Section 1 (3) of the Act on the Procedure Regarding the Compensation of Minority Shareholders. In a ruling dated 2 March, 2006, the Hamburg District Court increased the cash settlement to €37.20 per share on the basis of its own assessment. HVB has appealed against this decision and believes that, at most, a small additional payment will have to be made to the squeezed-out shareholders of Vereins– und Westbank AG.

Financial instruments

Certain banks of the Group have been sued by, or are otherwise aware of claims by certain clients seeking damages in connection with losses suffered on financial instruments (including derivative instruments) purchased from them. In most instances, these clients claim that the banks failed to inform them properly in relation to the risks associated with such instruments or that such investments were otherwise not suitable. Most of the decisions to date have been in favour of the banks. However, each case is analysed carefully and appropriate provisions have been made on an individual basis. At 30 June, 2008, the Group has made provisions amounting to €289 million with respect to alleged claims arising out of or in connection with financial instruments.

Current account overdrafts

The Italian banking system is characterised by a relatively large proportion of overdraft financing provided through current accounts. A borrowing is made whenever a customer's drawings exceed the credit balance in the account. An overdraft customer is granted a maximum overdraft limit on the basis of UniCredit's lending policy, and the customer can draw on the overdraft facility. Debit interest on overdraft facilities is typically charged quarterly and at a floating rate.

With a series of judgments rendered in 1999, the Italian Supreme Court (*Corte di Cassazione*) outlawed the Italian banks' practice of capitalising interest on overdraft facilities on a quarterly basis (as a result of capitalising interest, the outstanding interest becomes a part of principal and thereafter interest is charged on the basis of the new principal amount).

After those judgments and the enactment of Legislative Decree No. 342 of 1999, Italian banks adopted a new practice, whereby interest on current account debit balances can be capitalised, either on a quarterly basis or with a different periodicity, provided that interest on current account credit balances is also capitalised on the same basis. Notwithstanding these changes, the legal position with respect to capitalisation of interest on current accounts opened prior to 22 April, 2000 (the date on which the new practice was first permissible under Legislative Decree 342/1999) remains uncertain (also in light of the fact that some local Courts did not follow the Supreme Court's approach on this matter).

However, after a new judgment by the Italian Supreme Court full bench that was issued at the end of 2004 the Group banks have not received a material amount of new claims and proceedings of this nature (as compared with the number of claims and proceedings notified after the judgments of 1999). For each new proceeding begun, the Group banks have made specific provisions, consistent with prior practice.

Italian law on fixed rate mortgage loans

Law Decree No. 394 of 29 December, 2000 on usury became law on 28 February, 2001. This law applies to any instalments on fixed-rate mortgage loans due after 2 January, 2001, and requires banks to reprice outstanding loans on the basis of a "substitute rate" of 9.96 per cent. for residential and business mortgage loans and of 8 per cent. for residential mortgage loans of up to €77,469 for the purchase of a primary residence (provided it is not considered a luxury home).

Since the enactment of this Law Decree, UniCredit has taken appropriate steps to conform its mortgage lending practices to the law, and the negative financial impact of re-pricing its fixed-rate mortgage loans is gradually decreasing. Going forward, management does not expect this law to have a material adverse effect on UniCredit's operating results or financial condition.

CORPORATE OBJECTS

The purpose of UniCredit, as set out in Article 4 of its articles of association, is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating in accordance with prevailing norms and practice, and to execute all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose, UniCredit may engage in any activity that is instrumental or in any case related to its banking and financial activities, including the issue of bonds and the acquisition of shareholding in Italy and abroad.

MAJOR SHAREHOLDERS

As at 13 November, 2008, UniCredit's share capital, fully subscribed and paid-up, amounted to €6,684,287,462.00 and was divided into 13,368,574,924 shares of €0.50 each, including 13,346,868,372 ordinary shares and 21,706,552 savings shares.

As at 13 November, 2008, the main shareholders were as follows:

Main Shareholders	Ordinary Shares	%*
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona, Via Forti Achille, 3/A, Verona, Italy	668,494,453	5.009%
Central Bank of Libya	615,718,218	4.613%
Fondazione Cassa di Risparmio di Torino, Via XX Settembre, 31, Torino, Italy	517,277,185	3.876%
Carimonte Holding S.p.A., Via Indipendenza, 11, Bologna, Italy	447,117,993	3.350%
Gruppo Allianz	316,277,646	2.370%
Barclays Global Investors UK Holdings Ltd Funds	267,464,392	2.004%

** As a percentage of common capital. UniCredit's by-laws set a limitation on voting rights at 5 per cent. of voting capital.*

MATERIAL CONTRACTS

UniCredit has not entered into any contracts which could materially prejudice its ability to meet its obligations under the Guarantee.

PRESENTATION OF FINANCIAL INFORMATION

Since the financial year beginning on 1 January, 2005, UniCredit has reported its consolidated financial information in accordance with the IFRS, as prescribed by European Union Regulation no. 1606 of 19 July, 2002. European Union Regulation no. 1606 of 19 July, 2002 required that, starting in 2005, all European Union companies having equity securities listed on a European stock exchange adopt international financial reporting standards (**IFRS**) (known as international accounting standards, or IAS, until May 2002) in the preparation of their consolidated financial statements. Standards introduced prior to the renaming of IAS as IFRS are still referred to as IAS; the combined body of IAS and IFRS standards is referred to as "IFRS". The same European Union Regulation also provides a mechanism for inclusion (endorsement) of the IFRS into the European Union's body of laws. Accordingly, pursuant to Regulation no. 1725 of 29 September, 2003, the IFRS and their respective interpretations were officially adopted as of 19 July, 2002.

IFRS standards relating to financial reporting have been implemented in Italy pursuant to Legislative Decree No. 38 of 28 February, 2005 (the **IFRS Decree**) and require Italian listed companies, banks, insurance companies and financial services companies to prepare consolidated financial statements (effective from 2005) and non-consolidated financial statements (effective from 2006) in accordance with IFRS. The introduction of IFRS resulted in a significant change in the way companies' results and balance sheets are presented. Previously applied Italian accounting principles, which are based on historical cost, are governed mainly by criteria whose purpose is to show financial results actually realised and that can be distributed. The goal of IFRS, however, is to provide information aimed mainly at investors, presenting changes in the economic value of company capital.

In April 2005, CONSOB revised Articles 81 and 82 of the regulations concerning issuers (CONSOB Regulation no. 11971/99, as amended) regarding quarterly and half-yearly reports, respectively, and amended the issuer regulations to cover the transition mechanism for 2005 (Articles 81-bis and 82-bis). In particular, this mechanism enabled gradual implementation of IFRS for quarterly and half-yearly reports in 2005.

The Group started preparing its consolidated financial statements for the financial year ending 31 December, 2005 onward and its interim report in accordance with IFRS.

MANAGEMENT OF UNICREDIT

Board of Directors

The Board of Directors of UniCredit (the **Board**) is responsible for the ordinary and extraordinary management of UniCredit and the Group. The Board may delegate its powers to a Managing Director.

The Board is elected by UniCredit's shareholders at a general meeting for a term of three years, unless a shorter duration is designated upon appointment, and Directors may be re-elected following the expiration of their terms. The Board consists of nine to 24 directors.

The current Board is composed of 23 members. The Board of Directors, as an alternative to the Managing Director, may appoint a General Manager and one or more Deputy General Managers. In case one General Manager and no Managing Director have been appointed, the General Manager may be elected Director of the Bank. In such a situation, the Board of Directors shall appoint him Managing Director (and determine

his responsibilities and term of office). The Board has appointed Mr. Alessandro Profumo as Managing Director and Chief Executive Officer. It has also appointed Messrs Fiorentino, Ermotti, and Nicastro as Deputy Chief Executive Officers. The following table sets out the name and position of the current members of the Board:

Name	Position
Dieter Rampl (2)	Chairman
Gianfranco Gutty (1)	Deputy Vice Chairman
Franco Bellei (2)	Vice Chairman
Berardino Libonati (1)	Vice Chairman
Fabrizio Palenzona (2)	Vice Chairman
Anthony Wyand (1)	Vice Chairman
Alessandro Profumo (3)	CEO
Manfred Bischoff (1)	Director
Vincenzo Calandra Buonaura (1)	Director
Enrico Tommaso Cucchiani (2)	Director
Donato Fontanesi (1)	Director
Francesco Giacomin (1)	Director
Piero Gnudi (1)	Director
Friedrich Kadrnoska (1)	Director
Max Dietrich Kley (1)	Director
Marianna Li Calzi (1)	Director
Salvatore Ligresti (1)	Director
Luigi Maramotti (1)	Director
Antonio Maria Marocco (1)	Director
Carlo Pesenti (1)	Director
Hans-Jurgen Schinzler (1)	Director
Nikolaus von Bomhard (3)	Director
Franz Zwickl (1)	Director

(1) Independent Directors pursuant to the criteria set out in the Corporate Governance Code issued by Borsa Italiana.
(2) Not Independent Directors pursuant to Sect. 3 of the Corporate Governance Code.
(3) Not Independent Directors pursuant to Sect. 3 of the Corporate Governance Code and Sect. 148 of the Consolidated Finance Act.

The business address for each of the foregoing directors is the Head Office of UniCredit S.p.A. (Via San Protaso, 3, 20121 Milan, Italy).

Other principal activities performed by the members of the Board which are significant with respect to the Issuer:

Dieter Rampl:
- Vice Chairman of Mediobanca S.p.A.
- Director of A.B.I. – Italian Banking Association
- Chairman of the Supervisory Board of Koenig & Bauer AG
- Chairman of the Supervisory Board of Bayerische Börse AG
- Member of the Supervisory Board of FC Bayern München AG
- Director of Bode Hewitt Beteiligungs AG
- Non-Executive Director of Babcock and Brown
- Vice Chairman of I.S.P.I. – Institute for International Political Studies
- Member of the Board of A.I.R.C. – Italian Association for Cancer Research
- Member of the Board of Aspen Institute Italia
- Chairman of the Managing Board of Hypo-Kulturstiftung
- Member of the Board of Directors of ICC International Chamber of Commerce
- Member of the Board of Trustees of ESMT European School of Management and Technology

Gianfranco Gutty:
- Member of the Steering Committee of the Federazione ABI ANIA
- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Member of the Board of Directors of Bank Medici AG

Franco Bellei:
- Chairman of Privata Leasing
- Chairman of Istituto Superiore di Studi Musicali O. Vecchi – A. Tonelli

- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Member of the Board of Directors of Nomisma S.p.A.
- Member of the General Council of the Patti Chiari Consortium

Fabrizio Palenzona:
- Chairman of ADR S.p.A.
- Chairman of REAM Sgr
- Chairman of AVIVA Italia S.p.A.
- National Chairman of FAISERVICE SCARL
- Chairman of AISCAT (Italian Association of Toll Motorways and Tunnels Operators) and Aiscat Servizi
- Chairman of AISCAT SERVIZI S.r.l.
- Chairman of ASECAP – Association Européenne des Concessionnaires d'Autoroutes et d'Ouvrages à Péage
- Chairman of CONFTRASPORTO
- Chairman of SLALA
- Member of the Board of Directors of Mediobanca S.p.A.
- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Member of the Board of Directors of Fondazione Cassa di Risparmio di Alessandria

Berardino Libonati:
- President of Telecom Italia Media S.p.A.
- President of the Unidroit – Institut pour l'Unification du Droit Privé
- Member of the Board of Directors of Telecom Italia S.p.A. and Member of the Nomination and Remuneration Committee
- Member of the Board of Directors of ESI – Edizioni Scientifiche Italiane S.p.A.
- Member of the Board of Directors of Pirelli S.p.A.
- Member of the Board of Directors of RCS Media Group S.p.A.

Anthony Wyand:
- Chairman of Grosvenor Continental Europe
- Member of the Board of Directors of AVIVA France
- Member of the Board of Directors of Grosvenor Group Ltd
- Member of the Board of Directors of Société Foncière Lyonnaise SA
- Member of the Board of Directors of Société Générale

Alessandro Profumo:
- Chairman of the Supervisory Board of HVB
- Chairman of the Supervisory Board of Bank Austria
- Member of the Board of Directors and Executive Committee of A.B.I. – Italian Banking Association
- Member of the Board of Directors of the Teatro alla Scala Foundation
- Member of the Board of Directors of the Luigi Bocconi University
- Member of the Board of Directors of the Arnaldo Pomodoro Foundation

Manfred Bischoff:
- Chairman of the Supervisory Board of Daimler AG
- Member of the Supervisory Board of Fraport AG
- Member of the Board of Directors of Nortel (NNC/NNL)
- Member of the Supervisory Board of Royal KPN N.V.
- Member of the Supervisory Board of SMS GmbH
- Member of the Supervisory Board of Voith AG

Nikolaus von Bomhard:
- Chairman of the Management Board of Münchener Rückversicherungs-Gesellschaft
- Chairman of the Supervisory Board of ERGO Versicherungsgruppe AG, Düsseldorf
- Member of the Board of Directors of AIEEA, Geneva ("Geneva Association")
- Member of the Advisory Board of Federal Financial Supervisory Authority (BaFin), Berlin
- Member of the Board of Trustees of Freunde des Münchener Bach-Chores e.V.
- Member of Freundeskreis der Münchener Assekuranz (Juniorenkreis)
- Member of the Presiding Committee and Member of the General Committee of Gesamtverband der Deutschen Versicherungswirtschaft e.V. – Association of German Insurers

- Member of the Board of Trustees of Gesellschaft Freunde der Hochschule für Musik und Theater München e.V., Munich
- Chairman of the University Council of Ludwig-Maximilian University, Munich
- Member of the Foundation Board of Munich Re Foundation
- Member of the Board of Trustees of Pinakotheks-Verein Verein zur Förderung der Alten und Neuen Pinakothek München e.V., Munich
- Member of the Board of Trustees of Verein der Freunde und Förderer der Glyptothek und der Antikensammlungen München e.V., Munich

Vincenzo Calandra Buonaura:
- Member of the Supervisory Board of Bank Austria Creditanstalt AG
- Chairman of Carimonte Holding S.p.A.
- Member of the Board of Directors of Credito Emiliano S.p.A.

Enrico Tommaso Cucchiani:
- Member, with responsibility for the insurance market in Italy, Spain, Switzerland, Austria, Portugal, Turkey, Greece and South America and of the global strategic development and restructuring programme for the Group Claims business and distribution system of Allianz SE – "Vorstand"
- CEO of Allianz S.p.A.
- Member of the Board of Directors L.A. Vita S.p.A.
- Chairman of Acif S.p.A.
- Chairman of AGF Ras Holding BV (Amsterdam)
- Deputy Chairman of Companhia de Seguros Allianz Portugal SA (Lisbona)
- Member of the Board of Directors Koc Allianz Sigorta (Turkey)
- Member of the Board of Directors Koc Allianz Hayat ve Emklilik AS (Turkey)
- Deputy Chairman of Allianz Compania de Seguros, SA (Madrid – Barcellona)
- Deputy Chairman of Allianz General Insurance Company SA (Athens)
- Deputy Chairman of Allianz Life Insurance Company SA (Athens)
- Member of the Board of Directors Pirelli & C.
- Member of the Board of Directors Illycaffè S.p.A.
- Member of the Board of Directors Editoriale FVG S.p.A. (L'Espresso Editorial Group)
- Chairman of MIB School of Management
- Member of the Advisory Council Stanford University, Palo Alto, California
- Member of The Trilateral Commission, Italy
- Member of the Board of Directors Aspen Institute Italy
- Member of the US – Italy Council
- Member of the Board of Directors ISPI (Institute for Studies of International Politics)
- Member of the Board of Directors Associazione Civita
- Member of the Advisory Board Intercultura

Donato Fontanesi:
- President of the Coopsette Foundation
- Member of the Board of Directors of Holmo S.p.A., Bologna
- Member of the Board of Directors of C.C.P.L., Reggio Emilia
- Member of the Board of Directors of Parco S.p.A., Reggio Emilia
- Member of the Board of Directors of Finecobank S.p.A.

Francesco Giacomin:
- President of the "Fornace per l'innovazione" Foundation
- Vice Chairman of Naonis Energie S.r.l.
- Chairman of Industrial Park Sofia AD
- Chairman of IES.CO doo – Zagabria
- Member of the Board of Directors of A.B.I. – Italian Banking Association
- Vice Chairman of Confservizi, Italian Confederation of Public Services
- Member of Commissione Amministratrice of the Fondo di Previdenza "G. Caccianiga"
- Contract professor at the University of Trieste since 2003/2004

Piero Gnudi:
- Chairman of the Board of Directors of ENEL S.p.A.
- Chairman of the Board of Directors of Emittenti Titoli S.p.A.
- Managing Director of Carimonte Holding S.p.A.
- Member of the Board of Directors of Alfa Wassermann S.p.A.
- Member of the Board of Directors of D & C Compagnia di Importazione prodotti Alimentari, Dolciari, Vini e Liquori S.p.A.
- Member of the Board of Directors of Galotti S.p.A.
- Chairman of the Board of Auditors of Marino Golinelli & C. S.a.p.a.

Friedrich Kadrnoska:
- Member of the Executive Board of Privatstiftung zur Verwaltung von Anteilsrechten (Shareholder of UniCredit S.p.A.)
- Chairman of the Supervisory Board of Wienerberger AG
- Chairman of the Supervisory Board of Österreichisches Verkehrsbüro AG
- Chairman of the Supervisory Board of Allgemeine Baugesellschaft – A. Porr AG
- Deputy Chairman of the Supervisory Board of Wiener Börse AG
- Member of the Supervisory Board of card complete Service Bank AG
- Member of the Supervisory Board of Wiener Privatbank Immobilieninvest AG
- Member of the Supervisory Board of Porr Technobau und Umwelt AG
- Member of the Supervisory Board of Porr Projekt und Hochbau AG
- Member of the Board of Directors of VISA Europe Limited
- Member of the Board of Directors of conwert Immobilieninvest SE

Max Dietrich Kley:
- Chairman of the Supervisory Board and Member of the Audit Committee of Infineon Technologies AG
- Member of the Supervisory Board and Chairman of the Audit Committee of BASF Aktiengesellschaft
- Member of the Supervisory Board and Chairman of the Audit Committee of Schott AG
- Chairman of the Supervisory Board and Member of the Audit Committee of SGL Carbon AG
- Member of the Supervisory Board of HeidelbergCement AG
- President of the German Institute for Share Promotion – Deutsches Aktieninstitut e.V.
- Chairman of the Stock Exchange Expert Commission
- Member of the Board of Trustees of the International Accounting Standards Committee Foundation (IASCF)

Marianna Li Calzi
- Freelance lawyer

Salvatore Ligresti:
- Honorary Chairman of Fondiaria-SAI S.p.A.
- Honorary Chairman of Milano Assicurazioni S.p.A.
- Honorary Chairman of Immobiliare Lombarda S.p.A.
- Honorary Chairman of Premafin Finanziaria S.p.A. – Holding di Partecipazioni
- Chairman of the Supervisory Board of Atahotels S.p.A.
- Board Member of Fondazione Cerba
- Honorary Chairman of Fondazione Fondiaria-SAI
- Chairman of Fondazione Gioacchino e Jone Ligresti

Luigi Maramotti:
- Chairman of Max Mara S.r.l.
- Vice Chairman of Max Mara Fashion Group S.r.l.
- Vice Chairman of the Board of Directors of Credito Emiliano S.p.A.
- Vice Chairman of Credito Emiliano Holding S.p.A.
- Member of the Board of Directors of ABAXBANK S.p.A.
- Member of the Board of Directors of COFIMAR
- Member of the Board of Directors of Credem Assicurazioni S.p.A.
- Member of the Board of Directors of CredemVita S.p.A.
- Non-Executive Director of Grosvenor Continental Europe S.A.S.
- Vice Chairman of Max Mara Finance S.r.l.

Antonio Maria Marocco:
- Member of the Board of Directors of Società Reale Mutua di Assicurazioni
- Member of the Board of Directors of Società Reale Immobili S.p.A.
- Member of the Board of Directors and Chairman of the Audit Committee of IFIL – Finanziaria di Partecipazioni S.p.A.

Carlo Pesenti:
- General Manager and Member of the Executive Committee of Italmobiliare S.p.A.
- Independent Director of Ambienta Sgr
- Managing Director of Italcementi S.p.A.
- Member of the Board of Directors of Mediobanca S.p.A.
- Member of the Board of Directors and of the Executive Committee of RCS Media Group S.p.A.
- Vice Chairman of Ciments Français S.A.
- Co-Chairman of the Italy-Egypt Business Council

Hans-Jürgen Schinzler:
- Chairman of the Supervisory Board of Munich Re Group
- Chairman of the Board of Trustees of Munich Re Foundation
- Member of the Supervisory Board of Metro AG
- Chairman of the Board of Trustees of Münchener Rück Stiftung
- Chairman of Wittelsbacher Ausgleichsfonds
- Treasurer and Member of the Senate of Max-Planck-Gesellschaft zur Förderung der Wissenschaften e.V.
- Member of Insurance Advisory Council of Bundesanstalt fur Finanzdienstleistungsaufsicht
- Member of the Board of Trustees of Deutsche Telekom Stiftung
- Member of the Board of Deutscher Verein für Versicherungswissenschaft e.V.
- Member of the Board of Freundeskreis des Bayerischen Nationalmuseums e.V.
- Member of the Board of Trustees of Gemeinnützige Hertie-Stiftung
- Member of the Board of Trustees of Hypo-Kulturstiftung
- Member of the Board of Trustees for the State of Bavaria of Stifterverband für die Deutsche Wissenschaft
- Member of the Board of Trustees of Stiftung Demoskopie Allensbach
- Member of the Board of Trustees of Stiftung Pinakothek der Moderne

Franz Zwickl:
- Member of the Executive Board of Privatstiftung zur Verwaltung von Anteilsrechten (Shareholder of UniCredit S.p.A.) plus various Austrian private foundations
- Chairman of the Supervisory Board of ECO Business-lmmobilien AG
- Chairman of the Supervisory Board of Non-Profit Construction Association, Wohnungseigentum GmbH
- Chairman of the Supervisory Board of Wiener Privatbank Immobilieninvest AG
- Member of the Supervisory Board of Öesterreichische Kontrollbank AG
- Member of the Supervisory Board of Österreichische Verkehrsbüro AG
- Member of the Supervisory Board of card complete Service Bank AG
- Board of Directors of Conwert Immobilieninvest SE

Senior Management

The Board appoints the top executives who are responsible for managing the day-to-day operations, as directed by the Chief Executive Officer. The senior management of UniCredit is set out below.

Name	Position
Alessandro Profumo	Chief Executive Officer
Ranieri de Marchis	Chief Financial Officer
Sergio Ermotti	Deputy CEO – Head of CIB & PB Area
Paolo Fiorentino	Deputy CEO – Head of GBS Area
Nadine Faruque	Head of Compliance & Corporate Affairs Department
Edoardo Spezzotti	Head of Markets & Investment Banking Division
Dario Frigerio	Head of Asset Management Division
Erich Hampel	Chairman, Austria & CEE Region
Federico Ghizzoni	Head of Poland's Markets Division
Roberto Nicastro	Deputy CEO – Head of Retail Area
Vittorio Ogliengo	Head of Corporate Banking Division
Henning Giesecke	Chief Risk Officer
Antonella Massari	Head of Group Identity & Communications Department
Rino Piazzolla	Head of Human Resources Department
Wolfgang Sprissler	Country Chairman Germany
Marina Natale	Head of Private Banking Division
Carmine Lamanda	Head of Institutional & Regulatory Strategic Advisory
Gabriele Piccini	Head of Retail Network Italy Division
Jan Bielecki	Country Chairman Poland

The business address for each of the foregoing members of senior management is UniCredit S.p.A., Piazza Cordusio 2, 20123, Milan, Italy.

Board of Statutory Auditors

The board of statutory auditors (the **Board of Statutory Auditors**) must monitor the management of UniCredit and its compliance with laws, regulations and by-laws, assess and monitor the adequacy of the company's organisation, internal controls, administrative and accounting systems and disclosure procedures, and must report any irregularities to Consob, the Bank of Italy and the shareholders' meeting called to approve the company's financial statements.

The Board of Statutory Auditors is appointed by UniCredit's shareholders at a general meeting for a term of three years and members may be re-elected under UniCredit's by-laws. The Board of Statutory Auditors consists of five statutory auditors, including a chairman of the Board of Auditors, and two alternate statutory auditors.

The current members of the Board of Statutory Auditors of UniCredit will hold office until the annual general meeting of UniCredit's shareholders called to approve UniCredit's financial statements for the fiscal year ending 31 December, 2009. The following table sets out the name, age, position and year of appointment of the current members of the Board of Statutory Auditors of UniCredit.

Name	Position
Giorgio Loli	Chairman
Vincenzo Nicastro	Statutory Auditor
Aldo Milanese	Statutory Auditor
Gian Luigi Francardo	Statutory Auditor
Siegfried Mayr	Statutory Auditor
Giuseppe Verrascina	Alternate
Massimo Livatino	Alternate

Compensation

In the year ended 31 December, 2007, the aggregate compensation paid to key management was approximately €104 million.

The Internal Control & Risk Committee

The Group's Internal Control & Risk Committee is composed of five non-executive directors, the majority of whom must be independent. The chairman of the Board and the vicarious deputy chairman are

automatically members of the Internal Control & Risk Committee, and the other members of the Internal Control & Risk Committee are elected on the basis of competence and fitness for the roles to be filled. The Internal Control & Risk Committee acts in an advisory capacity and also has powers of inquiry. It may be consulted at all times by the Board for assistance in evaluating conflicts of interest as well as transactions with related parties. The Internal Control & Risk Committee reports directly to the Board on its activities, the adequacy of internal auditing procedures and relationships with external auditors at least semi-annually.

Conflicts of Interest

UniCredit addresses conflicts of interest in compliance with the provisions of Article 239 of Italian Civil Code and Article 136 of the Italian Banking Act. There are no family relationships between any of the members of the Board, the members of the Board of Statutory Auditors, and the senior managers of UniCredit.

As of 31 December, 2007, there were outstanding loans or guarantees issued by Group entities to senior managers totalling approximately €8,821 million. Amounts include transactions with companies in which the directors of UniCredit have interests. Such loans and guarantees were made in the ordinary course of business, on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions, and did not involve more than the normal credit risk or include favourable features.

UniCredit is not aware of any other potential conflicts of interests between the duties to UniCredit of the members of the Board, the members of the Board of Statutory Auditors or the senior managers of UniCredit, and their private interests or other duties.

EXTERNAL AUDITORS

UniCredit's annual financial statements must be audited by external auditors appointed by its shareholders. UniCredit's Board of Statutory Auditors expresses an opinion on such appointment. The shareholders' resolution and the Board of Statutory Auditors' opinion are communicated to Consob. The external auditors examine UniCredit's annual financial statements and issue an opinion regarding whether its annual financial statements comply with the IAS/IFRS issued by the International Accounting Standards Board as endorsed by the European Union governing their preparation; which is to say whether they are clearly stated and give a true and fair view of the financial position and results of the Group. Their opinion is made available to UniCredit's shareholders prior to the annual general shareholders' meeting.

Since 2007, following a modification of Legislative Decree No. 58 of 24 February, 1998 (the Financial Services Act), listed companies may not appoint the same auditors for more than nine years. Until 2007, auditors could be appointed for three consecutive three-year terms. At the annual general shareholders' meeting of UniCredit held on 4 May, 2004, KPMG S.p.A. (**KPMG**) was appointed to act as UniCredit's external auditor for a period of three years and during the general shareholders' meeting of UniCredit held on 10 May, 2007 KPMG's engagement was extended for a further six years, to complete the nine-year period allowed by the Financial Services Act.

UniCredit's external auditor KPMG S.p.A. is registered on the roll of chartered accountants held by the Ministry of Justice and in the register of Auditing Firms held by CONSOB.

KPMG succeeds PricewaterhouseCoopers S.p.A., which had acted as the external auditor for UniCredit and its predecessor entity, Credito Italiano, for three consecutive three-year terms.

Summary Financial Information of UniCredit

Set out below is summary financial information of UniCredit, derived from the audited consolidated financial statements of UniCredit as at and for the years ended 31 December, 2006 and 2007 (prepared in accordance with IFRS/IAS), which have been audited by KPMG S.p.A., and the unaudited consolidated financial statements of UniCredit as at and for the six months ended 30 June, 2007 and 2008, which were subject to limited review by KPMG. Such financial statements, together with the audit reports of KPMG S.p.A. and the accompanying notes, are incorporated by reference into this Prospectus. The financial information below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements, reports and the notes thereto. See "*Documents incorporated by reference*".

UNICREDIT CONSOLIDATED BALANCE SHEET

	As at 31 December,		As at 30 June 2008
	2006*	2007	(Unaudited)
	(in thousands of euro)		
Balance sheet – Assets			
Cash and cash balances	5,680,703	11,072,942	4,757,273
Financial assets held for trading	191,593,436	202,343,138	201,324,572
Financial assets at fair value through profit or loss	15,932,989	15,351,953	15,298,834
Available for sale financial assets	29,358,243	31,957,833	33,534,418
Held-to-maturity investments	10,752,057	11,731,544	11,479,905
Loans and receivables with banks	83,715,436	100,011,816	120,832,076
Loans and receivables with customers	441,320,028	574,206,126	598,944,365
Hedging derivatives	3,009,561	2,512,829	3,003,207
Changes in fair value of portfolio hedged items (+/-)	228,048	(71,394)	(637,374)
Investments in associates and joint ventures	3,086,289	3,166,094	3,177,218
Insurance reserves attributable to reinsurers	300	115	107
Property, plant and equipment	8,615,460	14,436,974	11,988,881
Intangible assets	13,335,985	24,853,738	26,578,637
of which – goodwill	*9,908,473*	*19,115,404*	*21,079,070*
Tax assets	7,746,486	11,144,239	10,847,038
(a) current tax assets	*987,754*	*3,704,545*	*2,935,245*
(b) deferred tax assets	*6,758,732*	*7,439,694*	*7,911,793*
Non-current assets and disposal groups classified as held for sale	572,722	6,374,480	3,894,834
Other assets	8,336,471	12,665,942	14,743,208
Total assets	**823,284,214**	**1,021,758,369**	**1,059,767,199**

* *Not including Capitalia figures*

UNICREDIT CONSOLIDATED BALANCE SHEET (continued)

	As at 31 December,		As at 30 June 2008
	2006*	2007	(Unaudited)
	(in thousands of euro)		
Balance sheet – Liabilities			
Deposits from banks	145,682,687	160,601,450	186,326,241
Deposits from customers	287,978,488	390,632,858	402,044,687
Debt securities in issue	207,276,380	239,900,401	237,752,534
Financial liabilities held for trading	103,980,425	113,656,467	121,879,222
Financial liabilities at fair value through profit or loss	1,730,966	1,966,541	1,702,927
Hedging derivatives	4,070,384	5,569,302	6,738,604
Changes in fair value of portfolio hedged items (+/-)	(362,604)	(625,168)	(1,256,039)
Tax liabilities	6,094,167	7,510,387	6,596,055
(a) current tax liabilities	*1,515,324*	*2,689,512*	*1,933,356*
(b) deferred tax liabilities	*4,578,843*	*4,820,875*	*4,662,699*
Liabilities included in disposal groups classified as held for sale	96,690	5,026,513	2,721,153
Other liabilities	15,727,198	24,556,142	25,671,762
Provision for employee severance pay	1,233,853	1,528,111	1,400,648
Provisions for risks and charges	6,871,136	8,793,062	8,326,310
(a) post-retirement benefit obligations	*4,081,588*	*4,838,978*	*4,310,698*
(b) other provisions	*2,789,548*	*3,954,084*	*4,015,612*
Insurance reserves	161,999	177,848	158,743
Revaluation reserves	2,443,806	1,044,893	(930,742)
Reserves	8,091,079	10,690,592	14,768,232
Share premium	17,628,233	33,707,908	33,193,879
Issued capital	5,219,126	6,682,683	6,683,346
Treasury shares (-)	(362,177)	(363,111)	(880,514)
Minorities (+/-)	4,274,637	4,740,353	3,997,348
Net Profit or Loss (+/-)	5,447,741	5,961,137	2,872,803
Total liabilities and shareholders' equity	**823,284,214**	**1,021,758,369**	**1,059,767,199**

* *Not including Capitalia figures*

UNICREDIT CONSOLIDATED INCOME STATEMENT

	Year ended 31 December,		Six months ended 30 June	
	2006*	2007**	2007* (Unaudited)	2008 (Unaudited)
	(in thousands of euro)			
Interest income and similar revenues	34,294,958	42,021,881	19,228,772	24,858,702
Interest expense and similar charges	(22,140,073)	(28,056,647)	(12,803,924)	(16,140,209)
Net interest margin	**12,154,885**	**13,965,234**	**6,424,848**	**8,718,493**
Fee and commission income	9,966,526	11,353,707	5,472,595	5,836,229
Fee and commission expense	(1,618,851)	(1,923,865)	(863,636)	(1,034,412)
Net fees and commissions	**8,347,675**	**9,429,842**	**4,608,959**	**4,801,817**
Dividend income and similar revenue	823,730	1,055,569	656,909	960,796
Gains and losses on financial assets and liabilities held for trading	1,470,347	541,281	880,219	(941,515)
Fair value adjustments in hedge accounting	29,729	21,754	22,305	18,913
Gains and losses on disposal of:	**493,457**	**1,285,979**	**267,521**	**83,885**
(a) loans	*16,486*	*13,654*	*8,944*	*6,605*
(b) available-for-sale financial assets	*479,030*	*1,274,808*	*260,193*	*82,650*
(c) held-to-maturity investments	*3,493*	*647*	*(163)*	*(142)*
(d) financial liabilities	*(5,552)*	*(3,130)*	*(1,453)*	*(5,228)*
Gains and losses on financial assets/liabilities at fair value through profit or loss	41,347	(3,355)	69,387	(71,012)
Operating income	**23,361,170**	**26,296,304**	**12,930,148**	**13,571,377**
Impairment losses on:	(2,296,038)	(2,329,737)	(1,085,325)	(1,508,319)
(a) loans	*(2,196,408)*	*(2,140,868)*	*(1,072,632)*	*(1,426,353)*
(b) available-for-sale financial assets	*(47,440)*	*(113,020)*	*(1,457)*	*(34,637)*
(c) held-to-maturity investments	*1,110*	*(54,383)*	*(34)*	*23*
(d) financial liabilities	*(53,300)*	*(21,466)*	*(11,202)*	*(47,352)*
Net profit from financial activities	**21,065,132**	**23,966,567**	**11,844,823**	**12,063,058**
Premiums earned (net)	89,058	114,921	54,689	55,219
Other income (net) from insurance activities	(67,817)	(82,431)	(38,348)	(43,366)
Net profit from financial and insurance activities	**21,086,373**	**23,999,057**	**11,861,164**	**12,074,911**
Administrative costs:	**(12,409,029)**	**(14,201,269)**	**(6,191,353)**	**(8,133,374)**
(a) staff expense	*(7,860,299)*	*(9,096,947)*	*(3,862,948)*	*(5,139,349)*
(b) other administrative expense	*(4,548,730)*	*(5,104,322)*	*(2,328,405)*	*(2,994,025)*
Provisions for risks and charges	(765,131)	(622,161)	(106,603)	(16,208)
Impairment/write-backs on property, plant and equipment	(812,104)	(841,084)	(357,290)	(416,016)
Impairment/write-backs on intangible assets	(556,664)	(614,939)	(221,954)	(332,316)
Other net operating income	597,109	883,164	385,113	571,756
Operating costs	**(13,945,819)**	**(15,396,289)**	**(6,492,087)**	**(8,326,158)**
Profit (loss) of associates	283,443	223,093	98,254	215,453
Gains and losses on tangible and intangible assets measured at fair value	-	-	-	(16,451)
Impairment of goodwill	(356,880)	(144,271)	(1,311)	-
Gains and losses on disposal of investments	794,685	530,345	154,925	208,388
Total profit or loss before tax from continuing operations	7,861,802	9,211,935	5,620,945	4,156,143
Tax expense (income) related to profit or loss from continuing operations	(1,790,119)	(2,533,713)	(1,628,303)	(980,132)
Total profit or loss after tax from continuing operations	**6,071,683**	**6,678,222**	**3,992,642**	**3,176,011**
Total profit or loss after tax from discontinued operations	56,174	-	-	-
Net Profit or Loss for the year	**6,127,857**	**6,678,222**	**3,992,642**	**3,176,011**
Minorities	(680,116)	(717,085)	(385,324)	(303,208)
Net Profit or Loss attributable to the Parent Company	**5,447,741**	**5,961,137**	**3,607,318**	**2,872,803**
Earnings per share (€)	0.527	0.538	0.348	0.218
Diluted earnings per share (€)	0.525	0.537	0.348	0.218

** Not including Capitalia figures*

*** Includes income statement figures for the former Capitalia Group starting from 1 October, 2007*

Description of UniCredit Ireland

HISTORY

UniCredit Ireland was incorporated in Ireland on 7 November, 1995 under the Irish Companies Act, 1963 (as amended). UniCredit Ireland changed its name from Credito Italiano (Ireland) Limited to Credito Italiano Bank (Ireland) Limited on 19 December, 1997 and received a banking licence from the Central Bank of Ireland (now the Central Bank and Financial Services Authority of Ireland) on 24 December, 1997 pursuant to section 9 of the Irish Central Bank Act, 1971 (as amended). Registration as a public limited company was completed on 2 April, 1998. UniCredit Ireland changed its name to UniCredito Italiano Bank (Ireland) p.l.c. on 1 November, 1999 and to UniCredit Bank Ireland p.l.c. on 12 December, 2007.

UniCredit Ireland is registered with the Registrar of Companies in Dublin under registration number 240551 and has its registered office at La Touche House, International Financial Services Centre, Dublin 1, Ireland, telephone number +353 1 670 2000.

UniCredit Ireland is a wholly owned subsidiary of UniCredit and has one subsidiary at the date of this Prospectus.

UniCredit Ireland's subsidiary is UniCredit Ireland Financial Services p.l.c., whose registered office is at La Touche House, International Financial Services Centre, Dublin 1, and is engaged in financial services. UniCredit Ireland Financial Services p.l.c. changed its name to UniCredit Ireland Financial Services Limited on 24 September, 2008.

BUSINESS

UniCredit Ireland is engaged in the business of banking and provision of financial services. Its main business areas include credit and structured finance (including investing in loans, bonds, securitisation and other forms of asset financing), treasury activities (money market, repurchase agreements or "repos", Euro OverNight Index Average (EONIA) and other interest rate swaps, foreign exchange and futures) and the issue of certificates of deposit and structured notes.

CORPORATE OBJECTS

The purpose of UniCredit Ireland, as set out in Article 3 of the Articles of Association, is to carry on the business of banking.

RECENT EVENTS

There are no recent events particular to UniCredit Ireland which are to a material extent relevant to an evaluation of UniCredit Ireland's solvency.

PRINCIPAL MARKETS

In market terms, UniCredit Ireland focuses on the business of credit and structured finance, treasury activities and the issue of certificates of deposit and structured notes in Europe.

RECENT INVESTMENTS

Except as disclosed in this Prospectus, UniCredit Ireland did not make significant investments since the date of the last published financial statements.

SIGNIFICANT OR MATERIAL CHANGE

Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of UniCredit Ireland since 30 June, 2008 and there has been no material adverse change in the prospects of UniCredit Ireland since 31 December, 2007.

MATERIAL CONTRACTS

UniCredit Ireland has not entered into any contracts which could materially prejudice its ability to meet its obligations under the Notes.

DIRECTORS

The following table sets forth the name, age, position and date of appointment of the current members of the Board of Directors of UniCredit Ireland:

Name	Age	Position	Year First Appointed
Ronan Molony	49	Chairman	2008
Luigi Parrilla	59	Deputy Chairman	2001
Stefano Vaiani	55	Managing Director	2004
Sebastiano Bazzoni	69	Director	2000
Patrizio Braccioni	49	Director	2002
Elaine Hanly	44	Director	1997
Giorgio Lombardi	73	Director	1999
David McCabe	69	Director	1997
Michael J. Meagher	66	Director	1997
Luciano Tuzzi	53	Director	2008

The business address for each of the foregoing directors is UniCredit Bank Ireland p.l.c., La Touche House, International Financial Services Centre, Dublin 1, Ireland.

The principal activities performed by the Directors outside UniCredit Ireland are set out briefly below:

Ronan Molony – Chairman of the Board of Directors

- Member of the Board of Directors of Diversified Growth Portfolio Inc.
- Member of the Board of Directors Compuserv Limited
- Member of the Board of Directors Diversified Growth Portfolio plc
- Member of the Board of Directors Caernarvon Limited
- Member of the Board of Directors Jervest
- Member of the Board of Directors Russhold

Luigi Parrilla – Deputy Chairman of the Board of Directors

- Member of the Board of Golf Cala Di Volpe Scarl

Stefano Vaiani – Managing Director

- Member of the Board of Directors of UniCredit Ireland Financial Services Ltd.

Sebastiano Bazzoni

- Member of the Board of Directors of Pioneer Investment Management Limited
- Member of the Board of Directors of Pioneer Global Investments Limited
- Member of the Board of Directors of Pioneer Asset Management S.A.
- Member of the Board of Directors of Pioneer Global Funds Distribution

Patrizio Braccioni

- Deputy General Manager of UniCredit S.p.A.
- Member of the Board of Directors of UniCredit Suisse Bank S.A.
- Member of the Board of Directors of UniCredit Luxembourg Finance S.A.
- Member of the Board of Directors of Cordusio Fiduciaria
- Member of the Board of Directors of Aton International
- Member of the Board of Directors of UPA
- Member of the Board of Directors of UniCredit Audit Ireland

Elaine Hanly

- Partner, Banking and Financial Services – William Fry Solicitors.
- Member of the Board of Directors of Helaba International Finance p.l.c.
- Member of the Board of Directors of Helaba Dublin Landesbank Hassen-Th_ringen International
- Member of the Board of Directors of Sachsen LB Europe p.l.c.
- Member of the Board of Baltimore Insurance Limited
- Member of the Board of Frymount Limited

Giorgio Lombardi

- Professor of Comparative Public Law – University of Turin

David McCabe

- Member of the Board of Directors of SEI Global Master Fund p.l.c.
- Member of the Board of Directors of Morgan Stanley Equity Financing Services Ireland Limited
- Member of the Board of Directors of Morgan Stanley Equity Holdings (I) Limited
- Member of the Board of Directors of Morgan Stanley Corporate Holdings (I) Limited
- Member of the Board of Directors of PLC, A&L Goodbody, North Wall Quay, D1
- Member of the Board of Directors of Bradford & Bingley Treasury Services (Ireland)

Michael J. Meagher

- Member of the Board of Directors of Bank of Ireland Mortgage Bank
- Member of the Board of Directors of Bear Stearns Bank p.l.c.
- Member of the Board of Directors of RBC Dexia Investor Services Ireland Limited
- Member of the Board of Directors Hewlett-Packard Dublin (Holdings) Limited
- Member of the Board of Directors Hewlett-Packard Financial Services Holding
- Member of the Board of Directors Hewlett-Packard International Bank Limited
- Member of the Board of Directors PIMCO Funds: Global Investors Series plc
- Member of the Board of Directors PIMCO Global Advisors (Ireland) Limited
- Member of the Board of Directors BNY Mellon Global Funds plc
- Member of the Board of Directors BNY Mellon Global Management Limited
- Member of the Board of Directors Meritorial Limited
- Member of the Board of Directors Pioneer Investment Management Limited
- Member of the Board of Directors St. Vincent's Healthcare Group Ltd. (Director)
- Member of the Board of Directors Pianora Ltd.
- Member of the Board of Directors Parabus Limited
- Member of the Board of Directors Institute of International and European Affairs

Luciano Tuzzi

- Member of the Supervisory Board UniCredit Luxemburg Finance S.A.

CONFLICTS OF INTERESTS

UniCredit Ireland is not aware of any potential conflicts of interests between the duties to UniCredit Ireland of the foregoing directors and their private interests or other duties.

EXTERNAL AUDITORS

At the annual general shareholders' meeting of UniCredit Ireland held on 6 March, 2008, KPMG, Dublin was re-appointed to act as UniCredit Ireland's external auditor for a period of one year. UniCredit Ireland's external auditors are registered auditors with the Institute of Chartered Accountants in Ireland.

CAPITAL

There has been no change in the authorised share capital of UniCredit Ireland since 31 December, 2007.

Book Entry Clearance Systems

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the ***Clearing Systems****) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor, the Trustee nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the Issuers that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. **Direct Participants** include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to

whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct

Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuers expect DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuers also expect that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the relevant Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form (see "*Form of the Notes*"). Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Guarantor, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Taxation

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

TAXATION IN THE REPUBLIC OF ITALY

The following is a summary of current Italian law and practice relating to the taxation of the Notes. Prospective Noteholders who may be unsure as to their tax position should seek their own professional advice.

Tax treatment of Notes issued by an Italian resident issuer

Legislative Decree No. 239 of 1 April, 1996 (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian banks, provided that the Notes are issued for an original maturity of not less than 18 months.

Italian resident Noteholders

Where the Notes have all original maturity of at least 18 months, and an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see under "*Capital gains tax*" below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 12.5 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP, the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September, 2001 converted into law with amendments by Law No. 410 of 23 November, 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August, 2003, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Art. 37 of Legislative Decree No. 58 of 24 February, 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January, 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

However, Law Decree No.112 of 25 June, 2008, converted with amendments into Law No.133 of 6 August, 2008, has introduced a 1 per cent. property tax applying on real estate investment funds' net value, where (i) their units are not expected to be listed on regulated markets and (ii) their equity is less than €400,000,000, if (a) there are less than 10 unitholders, or (b) funds are reserved to institutional investors and speculative funds whose units are held by individuals for more than 2/3, by trust or by other companies referable to individuals.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the **Fund**) or a SICAV, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva,* but must be included in the management results of the Fund accrued at the end of each tax period, subject to an ad-hoc substitute tax (the **Collective Investment Fund Tax**) applicable at a rate of 12.5 per cent.

Where an Italian resident Noteholder is a pension fund and the Notes are (subject to the regime provided for by article 17 of Legislative Decree No. 252 of 5 December, 2005) deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an Intermediary).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

Pursuant to Law No. 244 of 24 December, 2007 (the **Budget Law 2008**), a Decree still to be issued will introduce a new "white list" replacing the current "black list" system, so as to identify those countries which allow for a satisfactory exchange of information.

Imposta sostitutiva will be applicable at the rate of 12.5 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by the Ministerial Decree of 12 December, 2001.

Early Redemption

Without prejudice to the above provisions, in the event that Notes issued by an Italian resident issuer are redeemed, in full or in part, prior to 18 months from the Issue Date, the relevant issuer will be required to pay a tax equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption. Such payment will be made by the relevant issuer and will not affect the amounts to be received by the Noteholder by way of interest or other amounts, if any, under the Notes.

Notes with an original maturity of less than 18 months

Interest payments relating to Notes issued with an original maturity of less than 18 months are subject to a withholding tax, levied at the rate of 27 per cent.

Where the Noteholder is (a) an individual engaged in an entrepreneurial activity to which the Notes are connected, (b) an Italian company or a similar Italian commercial entity, (c) a permanent establishment in

Italy of a foreign entity to which the Notes are effectively connected, (d) an Italian commercial partnership, or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. In case of non-Italian resident Noteholders, the 27 per cent. withholding tax rate may be reduced by the applicable double tax treaty, if any.

Tax treatment of Notes issued by a non-Italian resident issuer

Decree No. 239 also provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by a non-Italian resident issuer.

Italian resident Noteholders

Pursuant to Decree 239, an *imposta sostitutiva* equal to (a) 12.5 per cent. in relation to Notes issued for an original maturity of not less than 18 months; and (b) 27 per cent. in relation to Notes issued for an original maturity of less than 18 months, is applied on interest, premium and other income relating to the Notes issued by a non-Italian resident issuer accrued during the relevant holding period, if received by (i) an Italian individual not engaged in an entrepreneurial activity to which the Notes are connected; (ii) an Italian non-commercial partnership; (iii) an Italian non-commercial private or public institution; or (iv) an Italian investor exempt from Italian corporate income taxation. Such withholding is applied by the Intermediary. In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity and the Notes are deposited with an Intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP, the regional tax on productive activities).

If the investor is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a rate of 12.5 per cent.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December, 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

If the Notes are issued for an original maturity of less than 18 months, the 27 per cent. *imposta sostitutiva* is also applied to any payment of interest or premium relating to the Notes made to (a) Italian pension funds (subject to the regime provided for by article 17 of Legislative Decree No. 252 of 5 December, 2005); (b) Italian open-ended or closed-ended investment funds, and (c) Italian SICAVs.

Non-Italian resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to Notes issued by a non-Italian resident issuer provided that the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Early Redemption

Without prejudice to the above provisions, in the event that Notes issued by a non-Italian resident issuer and having an original maturity of at least 18 months are redeemed, in full or in part, prior to 18 months from the issue date, Italian resident Noteholders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the redemption of the Notes, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption.

Payments made by an Italian resident guarantor

With respect to payments on the Notes made to Italian resident Noteholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other

proceeds from the Notes may be subject to a provisional withholding tax at a rate of 12.5 per cent. pursuant to Presidential Decree No. 600 of 29 September, 1973, as subsequently amended. In the case of payments to non-Italian resident Noteholders, the withholding tax may be applied at (a) 12.5 per cent. if the payment is made to non-Italian resident Noteholders, other than those mentioned under (b); or (b) 27 per cent. if payments are made to non-Italian resident Noteholders who are resident in tax haven countries (as defined and listed in Ministerial Decree 23 January, 2002, as amended from time to time). Double taxation treaties entered into by Italy may apply allowing for a lower (on, in certain cases, nil) rate of withholding tax. In accordance with another interpretation, any such payment made by the Italian resident guarantor will be treated, in certain circumstances, as a payment by the relevant issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 27 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

In the case of Notes issued by an Italian resident issuer, where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax.

If the Notes are issued by a non-Italian resident issuer, the 27 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities); (b) a commercial partnership; or (c) a commercial private or public institution.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 12.5 per cent. Noteholders may set off losses with gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime*)*. Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or

certain authorised financial intermediaries and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in the value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the risparmio gestito regime, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is an Italian open-ended or a closed-ended investment fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.5 per cent. substitute tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No.252 of 5 December, 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Collective Investment Fund Tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer and traded on regulated markets are not subject to the *imposta sostitutiva*.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

Pursuant to the Budget Law 2008, a Decree still to be issued will introduce a new "white list" replacing the current "black list" system, so as to identify those countries which (i) allow for a satisfactory exchange of information and (ii) do not have a more favourable tax regime.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 12.5 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes issued by an Italian resident issuer are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes issued by an Italian resident issuer.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by a non-Italian resident issuer are not subject to Italian taxation, provided that the Notes are held outside Italy.

Inheritance and gift taxes
Pursuant to Law Decree No. 262 of 3 October, 2006 (Decree No. 262), converted into Law No. 286 of 24 November, 2006, as subsequently amended, the transfers of any valuable asset (including shares, Notes or other securities) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000; and

(c) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Transfer tax
Article 37 of Law Decree No. 248 of 31 December, 2007, converted into Law No. 31 of 28 February, 2008, published in the Italian Official Gazette No. 51 of 29 February, 2008, has abolished Italian transfer tax provided for by Royal Decree No. 3278 of 30 December, 1923, as amended and supplemented by Legislative Decree No. 435 of 21 November, 1997.

Following the repeal of Italian transfer tax, as from 31 December, 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

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

Implementation in Italy of the Savings Directive
Italy has implemented the Savings Directive through Legislative Decree No. 84 of 18 April, 2005 (Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

TAXATION IN IRELAND

The following is a summary (for Notes issued by UniCredit Ireland, unless otherwise stated) of the current Irish taxation law and practice with regard to the holders of the Notes. It is based on Irish taxation law and the practices of the Revenue Commissioners of Ireland (the ***Revenue Commissioners****) as in force at the date of this Prospectus, and which may be subject to change. It does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem, exchange or dispose of the Notes and does not constitute tax or legal advice. Prospective investors should consult with their own professional advisers on the overall tax implications of such ownership.*

Irish withholding tax on interest
In general, withholding tax at the standard rate of income tax (currently 20 per cent.) must be deducted from payments of yearly interest within the charge of Irish tax. This may include interest payments made by a company that is resident in Ireland for the purposes of Irish tax (**Irish Resident**) such as UniCredit Ireland.

However, there is no requirement to withhold any amount for or on account of Irish income tax from interest arising on Notes where that interest is paid in the ordinary course of a banking business in Ireland, such as that of UniCredit Ireland.

Irish withholding tax on discounts
Irish withholding tax does not apply to discounts realised.

Irish Deposit Interest Retention Tax (DIRT)
Irish licensed banks such as UniCredit Ireland are obliged to withhold DIRT from interest on relevant deposits, which may include the Notes. DIRT applies at the standard rate of income tax (currently 20 per cent. but subject to change in the Finance Act 2009) provided that interest on the relevant deposit is payable annually or at more frequent intervals. There are certain exemptions from the obligation to withhold DIRT:

(a) a Note that is listed on a stock exchange is not a relevant deposit for this purpose and DIRT does not apply;

(b) in relation to unlisted Notes, pursuant to the provisions of section 246A of the Taxes Consolidation Act of Ireland 1997 (**TCA 1997**), the Issuer will not be required to deduct DIRT from interest paid in respect of Notes where the Notes mature within two years provided the Notes continue to be held in Euroclear, Clearstream International SA, or Depository Trust Company (or any other clearing system recognised for this purpose by the Irish Revenue Commissioners) and which have a minimum denomination of €500,000 or U.S.$500,000 or, in the case of Notes which are denominated in a currency other than euros or US dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of the first publication of this programme);

(c) in addition, the Irish Revenue Commissioners operate a published practice which remains in force and effect as of the date hereof whereby DIRT will not apply to interest on unlisted Notes with a maturity of more than two years provided certain conditions are fulfilled as follows:

  (i) UniCredit Ireland will not sell any Notes to Irish residents and will not offer any Notes in Ireland;

  (ii) each of the Managers, as a matter of contract, undertake to UniCredit Ireland that:

    (A) it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of Notes to persons who are persons to whom the document may otherwise lawfully be issued or passed on;

    (B) it has not offered, sold or delivered and will not offer, sell or deliver any Notes in Ireland or to any person, including any body corporate, resident in Ireland or whose usual place of abode is in Ireland (an **Irish Person**);

    (C) it has not issued or distributed, and will not issue or distribute or cause to be issued or distributed, in Ireland or to any Irish Person, this Prospectus or any other document offering the Notes for subscription or sale; and

    (D) its action in any jurisdiction will comply with the then applicable laws and regulations of the jurisdiction;

  (iii) the Notes are cleared through Euroclear, Clearstream International SA, or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners); and

  (iv) the minimum denomination in which the Notes issue is made will be in denomination of €500,000 or its equivalent (such amount to be determined by reference to the relevant rate of exchange at the date of issuance); and

(d) separately, where a person is the beneficial owner of Notes, is beneficially entitled to the interest thereon, is not an Irish Resident and has provided a declaration of non-Irish residence to UniCredit Ireland in the prescribed form, DIRT will not apply.

Encashment Tax
Notes issued by UniCredit may be within the charge of Irish encashment tax where interest is paid by an agent in Ireland. Encashment tax may also arise in respect of Notes issued by UniCredit Ireland that constitute quoted Eurobonds, where interest payments are collected or realised by an agent in Ireland on

behalf of a Noteholder. A Note will be a quoted Eurobond if it is quoted on a recognised stock exchange and carries a right to interest. Encashment tax will arise at the standard rate of income tax (currently 20 per cent.) unless the person beneficially owning the Note and entitled to the interest thereon is not resident in Ireland, has provided a declaration in the prescribed form and the income is interest not deemed, under the provisions of Irish tax legislation, to be the income of another person that is an Irish resident. Where interest payments are made by or through a paying agent outside Ireland, no encashment tax arises. In the case of Notes issued by UniCredit Ireland that are not quoted Eurobonds, no encashment tax arises.

Irish Income tax

In general, persons who are resident and domiciled in Ireland are liable to Irish taxation on their worldwide income whereas persons who are not resident or ordinarily resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self– assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment. Interest on Notes may be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, such income would be technically liable to Irish income tax unless an exemption is available.

There is an exemption from Irish income tax under Section 198 TCA 1997:

(a) where the interest is paid by a company in the ordinary course of its trade or business and the recipient of the interest is a company resident in an EU Member State (other than Ireland) or in a territory with which Ireland has a double taxation agreement that is in effect; or

(b) where the interest is paid on a quoted Eurobond and the recipient is resident in an EU Member State (other than Ireland) or in a territory with which Ireland has a double taxation agreement that is in effect; and:

  (i) the person by or through whom the payment is made is not resident in Ireland; or

  (ii) the person who is the beneficial owner of the quoted Eurobond and is beneficially entitled to the interest is not resident in Ireland and has made the appropriate declaration to the Revenue Commissioners.

For this purpose, residence is determined under the terms of the relevant double taxation agreement, or in the case of a person resident in an EU Member State, the law of that Member State. Separately, Ireland's double taxation agreements may exempt interest from Irish tax when received by a resident of the other territory provided that certain procedural formalities are completed.

In all other instances a liability to Irish income tax arises but it has, in the past, been the practice of the Revenue Commissioners (as a consequence of the absence of a collection mechanism rather than adopted policy) not to seek to collect this liability from non-Irish resident persons unless the recipient of the interest has a connection with Ireland. Examples of such a connection would include where the recipient has sought a claim for repayment of Irish tax deducted at source or where they are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of their interest in the Notes. Corporate noteholders who carry on a trade in Ireland through a branch or agency may be liable to Irish corporation tax where the Note is held in connection with the trade.

Capital Gains Tax

A holder of the Notes who is neither resident nor ordinarily resident in Ireland and who does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held will not be liable to capital gains tax on the disposal of the Notes (including redemptions for cash or by way of exchange for shares).

Stamp Duty

No stamp duty will be payable on the issue of the Notes provided that such Notes do not represent a charge or encumbrance on property situated in Ireland. No stamp duty will be payable on the transfer of the Notes by delivery. In the event of a written transfer of Notes no stamp duty is chargeable provided that the Notes:

(a) do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such right;

(b) do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus upon liquidation;

(c) are redeemable within 30 years of the date of issue and not thereafter;

(d) are issued for a price which is not less than 90 per cent. of their nominal value (thus bonds issued at a discount may not qualify for this exemption); and

(e) do not carry a right to a sum in respect of repayment or interest which is related to certain movements in an index or indices specified in any instrument or other document relating to the Notes.

Capital Acquisitions Tax

A gift or inheritance of the Notes will be within the charge to Irish Capital Acquisitions Tax if at the relevant date:

(a) the disponer (generally the person making the gift or inheritance of the Notes) is resident or ordinarily resident in Ireland; or

(b) the beneficiary is resident or ordinarily resident in Ireland; or

(c) the Notes are regarded as Irish property.

A foreign domiciled person will generally be regarded as resident or ordinarily resident only if that person was resident in Ireland for the five consecutive tax years immediately preceding the year in which the gift or inheritance was taken and that person is either resident or ordinarily resident in Ireland on the relevant date.

The Notes (for so long as they remain in bearer form) will not be regarded as situated in Ireland unless they are physically located in Ireland or, if registered, there is a register of such Notes in Ireland.

The Savings Directive has been enacted into Irish legislation. Since 1 January, 2004, where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence of that beneficial owner. Where such a person makes such a payment to a "residual entity" then that interest payment is a "deemed interest payment" of the "residual entity" for the purpose of this legislation. A "residual entity", in relation to "deemed interest payments", must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the "deemed interest payments".

Residual entity means a person or undertaking established in Ireland or in another Member State or in an "associated territory" to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in the prescribed format for the purposes of this legislation, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 85/611/EC, or it is such an entity or it is an equivalent entity established in an "associated territory", or it is a legal person (not being an individual) other than certain Finnish or Swedish legal persons that are excluded from the exemption from this definition in the Savings Tax Directive. Procedures relating to the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to residual entities resident in another Member State or an "associated territory" and procedures relating to the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual resident in another Member State or an "associated territory", applies since 1 July, 2005. For the purposes of these paragraphs "associated territory" means Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation, Aruba, Netherlands Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Montserrat and Turks and Caicos Islands.

TAXATION IN LUXEMBOURG

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

(i) **Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June, 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non–resident holders of Notes.

Under the Laws implementing Directive 2003/48/EC of 3 June, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and will be levied at a rate of 35 per cent. as of 1 July, 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

(ii) **Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December, 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident in Luxembourg, will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to a withholding tax of 10 per cent.

Subscription and Sale and Transfer and Selling Restrictions

The Dealers have, in an Amended and Restated Programme Agreement dated 19 November, 2008 (such programme agreement as amended and/or supplemented and/or restated from time to time, the **Programme Agreement**), agreed with the Issuers and (in the case of Guaranteed Notes) the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes" and "Terms and Conditions of the Notes*". In the Programme Agreement, the Parent has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, subject to applicable law, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the relevant Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if the Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will have been deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (iii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only: (i) to the relevant Issuer or any affiliate thereof; (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A; (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if

available); or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

(d) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(f) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN INSTITUTIONAL ACCREDITED INVESTOR); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of all the Notes of the Tranche of which such Notes form part), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or

(ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. state securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

(h) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see "*Form of the Notes*".

The IAI Investment Letter will state, among other things, the following:

(i) that the Institutional Accredited Investor has received a copy of the Prospectus and such other information as it deems necessary in order to make its investment decision;

(ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Prospectus and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;

(iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;

(iv) that the Institutional Accredited Investor is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

(vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$100,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$100,000 (or its foreign

currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the same meaning given to them by Regulation S.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issuance of Index Linked Notes, Credit Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Public Offer Selling Restriction under the Prospective Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospective Directive in that Relevant Member State (a **Non-exempt Offer**) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes issued by UniCredit Ireland which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer if it was not an authorised person or (where the Issuer is UniCredit Ireland) would not apply to the Guarantor if it was not an authorised person; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

As long as the relevant offering of the Notes has not been registered pursuant to Italian securities legislation, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as referred to in Article 100 of Legislative Decree No. 58 of 24 February, 1998, as amended (the **Financial Services Act**) and the relevant implementing CONSOB regulations, as amended from time to time, and as defined in Article 2 of Directive No. 2003/71/EC of 4 November, 2003; or

(b) in other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May, 1999, as amended (**Regulation No. 11971**).

In any event, any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October, 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September, 1993 as amended (the **Banking Act**); and

(b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or other Italian authority.

Investors should also note that in connection with the subsequent distribution of Notes (with a minimum denomination lower than €50,000 or its equivalent in another currency) in the Republic of Italy, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on solicitation applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the intermediaries transferring the Notes being liable for any damages suffered by investors.

Ireland

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to further represent and agree) that:

(a) it has not offered or sold and will not offer or sell any Notes except in conformity with the provisions of the Prospectus Directive and, where applicable, implementing measures in Ireland and the provisions of the Companies Acts 1963 to 2006;

(b) in respect of Notes issued by UniCredit Ireland which are not listed on a stock exchange and which do not mature within two years its action in any jurisdiction will comply with the then applicable laws and regulations of that jurisdiction, it will not knowingly offer to sell such Notes to an Irish resident, or to persons whose usual place of abode is Ireland, and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Notes. In addition, such Notes must be cleared through Euroclear, Clearstream, Luxembourg, or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners) and have a minimum denomination of €500,000 or its equivalent at the date of issuance;

(c) in respect of Notes issued by UniCredit Ireland which are not listed on a stock exchange and which mature within two years, such Notes must have a minimum denomination of €500,000 or US$500,000 or, in the case of Notes which are denominated in a currency other than euros or US dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of first publication of this Programme). In addition, such Notes must be cleared through Euroclear, Clearstream, Luxembourg or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners);

(d) it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of Notes to persons who are persons to whom the document may otherwise lawfully be issued or passed on; and

(e) it has complied and will comply with all applicable provisions of the European Communities (Markets in Financial Instruments) Regulations 2008 of Ireland, as amended, with respect to anything done by it in relation to the Notes or operating in, or otherwise involving, Ireland and is acting under and within the terms of an authorisation to do so for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April, 2004 and it has complied with any applicable codes of conduct or practice made pursuant to implementing measures in respect of the foregoing Directive in any relevant jurisdiction.

France

Each of the Dealers and the Issuer has represented and agreed that:

(a) **Offer to the public in France:**
it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (**AMF**), on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the base prospectus all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) **Private Placement in France:**
it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

The Grand Duchy of Luxembourg

In addition to the cases described in Public Offer Selling Restriction under the Prospectus Directive above, in accordance with which the Dealers can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes to the public in Luxembourg, except that it may make an offer of Notes to the public in the Grand Duchy of Luxembourg:

(a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations);

(b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, pension and investment funds and their management companies, commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and

(c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July, 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the *Commission de surveillance du secteur financier* (the **CSSF**), as competent authority in Luxembourg in accordance with the Prospectus Directive.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the **FIEL**) and accordingly each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes,

directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

General Information

AUTHORISATION

The establishment of the Programme and the issue of the Notes (and, in the case of the Guarantor, the giving of the Guarantee) have been duly authorised by resolutions of the Board of Directors of UniCredit dated 2 May, 2000, the Board of Directors of UniCredit Ireland dated 9 November, 2000 and the Board of Directors of UniCredit dated 16 December, 2004. The increase of the aggregate nominal amount of the Programme from €5,000,000,000 to €10,000,000,000 was duly authorised by resolutions of the Board of Directors of UniCredit dated 19 December, 2002 and the Board of Directors of UniCredit Ireland dated 19 December, 2002. The increase of the aggregate nominal amount of the Programme from €10,000,000,000 to €25,000,000,000 was duly authorised by resolutions of the Board of Directors of UniCredit dated 18 December, 2003 and the Board of Directors of UniCredit Ireland dated 18 December, 2003. The increase of the aggregate nominal amount of the Programme from €25,000,000,000 to €50,000,000,000 and, in the case of the Guarantor, the giving of the Guarantee was duly authorised by resolution of the Board of Directors of UniCredit dated 16 December, 2004 and the Board of Directors of UniCredit Ireland dated 17 December, 2004. The 2005 update of the Programme was duly authorised by resolutions of the Board of Directors of UniCredit dated 13 October, 2005, the Board of Directors of UniCredit Ireland dated 7 July, 2005 and the Board of Directors of UCI Luxembourg dated 10 October, 2005. The 2006 update of the Programme was duly authorised by resolutions of the Board of Directors of UniCredit dated 14 November, 2006, the Board of Directors of UniCredit Ireland dated 8 November, 2006, and the Board of Directors of UCI Luxembourg dated 15 November, 2006. The 2007 update of the Programme and the increase of the aggregate nominal amount of the Programme from €50,000,000,000 to €60,000,000,000 were duly authorised by resolutions of the Board of Directors of UniCredit dated 16 October, 2007, including the giving of the Guarantee and the Board of Directors of UniCredit Ireland dated 9 November, 2007. This update of the Programme has been duly authorised by resolutions of the Board of Directors of UniCredit dated 21 October, 2008, including the giving of the Guarantee and the Board of Directors of UniCredit Ireland dated 10 November, 2008.

LISTING AND ADMISSION TO TRADING

Application has been made to the CSSF to approve this document as two base prospectuses. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

DOCUMENTS AVAILABLE

For so long as the Notes issued under the Programme will be listed in Luxembourg, copies of the following documents will, when published, be available from the registered office of the relevant Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

(a) the memorandum and articles of association (with an English translation where applicable) of each of the Issuers;

(b) the audited consolidated financial statements of UniCredit as at and for the financial years ended 31 December, 2006 and 2007 (with an English translation thereof);

(c) the audited consolidated financial statements of UniCredit Ireland as at and for the financial years ended 31 December, 2006 and 2007; and

(d) the latest unaudited consolidated interim accounts of UniCredit (with an English translation thereof).

UniCredit currently prepares audited consolidated and non-consolidated financial statements on an annual basis and unaudited consolidated financial statements on a quarterly and semi-annual basis.

UniCredit Ireland currently prepares audited consolidated financial statements on an annual basis and does unaudited consolidated management accounts on a quarterly and semi-annual basis (the data as at 30 June, 2007 and 2008 incorporated by reference in this Prospectus has been prepared by the Financial Control Department of UniCredit Ireland and approved by its Board of Directors).

(e) the Programme Agreement, the Agency Agreement, the Trust Deed (containing the terms of the guarantee applicable to the Notes issued by UniCredit Ireland), the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(f) a copy of this Prospectus;

(g) any future prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference; and

(h) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

In addition, copies of this Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

CLEARING SYSTEMS

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate common code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041, USA.

CONDITIONS FOR DETERMINING PRICE

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

SIGNIFICANT OR MATERIAL CHANGE

Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of UniCredit and the Group since 30 June, 2008 and there has been no material adverse change in the prospects of UniCredit and the Group since 31 December, 2007.

Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of UniCredit Ireland since 30 June, 2008 and there has been no material adverse change in the prospects of UniCredit Ireland since 31 December, 2007.

LITIGATION

Except as disclosed in this Prospectus, none of the Issuers or the Guarantor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the relevant Issuer or the Guarantor is aware) in the 12 months preceding the date of this document which may have or have had in such period a significant effect on the financial position or profitability of the relevant Issuer, the Guarantor or the Group.

EXTERNAL AUDITORS

Listed companies may not appoint the same auditors for more than nine years. At the annual general shareholders' meeting of UniCredit held on 10 May, 2007, KPMG S.p.A. was appointed to act as UniCredit's external auditor until 2012. KPMG S.p.A. was already appointed to act as external auditor for a period from

2004 to 2006. KPMG S.p.A. succeeded to PricewaterhouseCoopers S.p.A., which had acted as the external auditor for UniCredit, and for its predecessor entity Credito Italiano, for three consecutive three-year terms.

The external auditors of UniCredit who have audited the annual consolidated financial statements for the financial years ended 31 December, 2006 and 2007, without qualification, in accordance with generally accepted auditing standards in Italy are KPMG S.p.A., Via Vittor Pisani 25, 20124 Milan, Italy.

UniCredit's external auditor KPMG S.p.A. is registered on the roll of chartered accountants held by the Ministry of Justice and in the register of Auditing Firms held by CONSOB.

The external auditors have no material interest in UniCredit.

The external auditors of UniCredit Ireland who have audited the annual financial statement for the financial years ended 31 December, 2006 and 31 December, 2007, and issued their opinions on the financial statements without qualification, in accordance with generally accepted auditing standards in Ireland are KPMG, 1 Harbourmaster Place, Dublin 1, Ireland.

UniCredit Ireland's external auditors are registered auditors with the Institute of Chartered Accountants in Ireland.

The external auditors have no material interest in UniCredit Ireland.

The reports of the auditors of the Issuers are included or incorporated in the form and context in which they are included or incorporated, with the consent of the relevant auditors who have authorised the contents of that part of this Prospectus.

POST-ISSUANCE INFORMATION

The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes including in relation to assets underlying issues of instruments constituting derivatives securities.

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LUXEMBOURG PAYING AGENT AND TRANSFER AGENT

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Auditors of UniCredit Ireland

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as to Irish law

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To the Dealers and the Trustee as to English law

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