



Credit Suisse AG, London Branch

**EUR 10,000,000 Credit Linked Notes linked to iTraxx® Europe Series 9 Version 1 (6 to 9%), due
2018**

(the "Notes" or the "Securities")

SPLB2013-079

Issue Price: 89.5 per cent. (89.5%) of the Aggregate Nominal Amount

This document comprises two parts. Part One is a summary of the Registration Document and Securities Note (the "**Summary**") and Part Two is a securities note (the "**Securities Note**"). The Summary and Securities Note contain information relating to the above Securities.

The Summary and Securities Note shall be read in conjunction with the registration document (the "**Registration Document**") dated 18 February 2013 containing information in respect of Credit Suisse AG, acting through its London Branch (the "**Issuer**").

Together, the Registration Document, the Summary and the Securities Note comprise a "prospectus" (the "**Prospectus**") for the Securities, prepared for the purposes of Article 5.3 of Directive 2003/71/EC as amended (the "**Prospectus Directive**").

This Summary and Securities Note has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Summary and Securities Note as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Securities which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to The Irish Stock Exchange Limited (the "**Irish Stock Exchange**") for the Securities to be admitted to the Official List and trading on its regulated market. There can be no assurance that such listing and admission to trading will be granted. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

28 March 2013

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The delivery of this document at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

The Issuer will not be providing any post issuance information, except if required pursuant to Article 16 of the Prospectus Directive.

In connection with the issue and sale of the Securities, no person is authorised to give any information or to make any representation not contained in the Registration Document, the Summary or the Securities Note, and neither the Issuer nor the Dealer accepts responsibility for any information or representation so given that is not contained in the Registration Document, the Summary or the Securities Note. The Prospectus does not constitute an offer of Securities, and may not be used for the purposes of an offer or solicitation by anyone, in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of the Prospectus in any jurisdiction where any such action is required except as specified herein.

The distribution of the Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession the Registration Document, the Summary or the Securities Note comes are required by the Issuer to inform themselves about, and to observe, such restrictions.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"). Subject to certain exemptions, the Securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. A further description of the restrictions on offers and sales of the Securities in the United States or to U.S. persons is set forth in the section entitled "Selling Restrictions" of the Base Prospectus (as defined below), which is incorporated by reference into this document.

The Securities have not been rated.

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PART ONE

SUMMARY RELATING TO THE EUR 10,000,000 CREDIT LINKED NOTES LINKED TO ITRAXX® EUROPE SERIES 9 VERSION 1 (6 TO 9%), DUE 2018

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

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

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

Section A — Introduction and warnings

Element	Disclosure requirement	
A.1	<p>This summary should be read as an introduction to this Prospectus.</p> <p>Any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</p>	
A.2	Consent by the Issuer to the use of the prospectus for subsequent resale or final placement of securities.	Not applicable, no consent has been granted by the Issuer in relation to the use of this Prospectus for any subsequent resale or final placement of securities by financial intermediaries.

Section B — Issuer

Element	Disclosure requirement	
B.1	Legal and commercial name of the Issuer	Credit Suisse AG, London Branch
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer is incorporated in the Canton of Zurich, Switzerland as a Swiss bank and joint stock corporation established under Swiss law.
B.4(b)	Trend information	Market volatility and uncertainty has affected the financial services industry

		<p>The financial services industry has experienced a volatile market environment and continuing uncertainties regarding regulatory developments and proposals, including capital, leverage and liquidity requirements, changes in compensation practices and systemic risk.</p> <p>Competitive pressure has increased</p> <p>Competitive pressure has increased as financial institutions have started to recover from the financial crisis.</p> <p>In response to regulatory trends, banks are expected to shift away from proprietary trading towards client-facing business models which will increase competition.</p> <p>The Issuer expects economies in Asia and Latin America to be important growth drivers for the banking industry in the near term as the ongoing sovereign debt concerns and a slow economic recovery have affected established markets in the US and Europe.</p> <p>Investment banking developments</p> <p>Investment banking in particular has been negatively impacted by a high degree of macroeconomic uncertainties, political tensions and continuing regulatory developments, including due to sovereign debt concerns and the financial crisis.</p> <p>The Issuer's Investment Banking business has been affected by subdued corporate and institutional risk appetite, a sharp decline in client activity levels across business and high market volatility during the year.</p> <p>Regulatory Developments</p> <p>Financial institutions have been under significant pressure to adapt their business models as legislative and regulatory measures governing the industry have become increasingly stringent.</p> <p>The continuous evolution of the regulatory framework and the significant regulatory developments have fundamentally changed the business and the competitive landscape of the financial services industry.</p> <p>One example of significant change is the gradual phasing in of higher minimum capital requirements under Basel III scheduled to begin in 2013. Banks deemed systemically important will be required to hold additional capital by the beginning of 2019, as part of efforts to prevent another financial crisis.</p> <p>While many of these regulatory measures require further detailed rule-making and will be implemented over several years, the Issuer expects increased capital requirements and regulation of derivatives to result in reduced risk taking and increased transparency in the industry.</p>
B.5	Description of the Group	The Issuer is a wholly owned direct subsidiary of Credit Suisse Group AG.
B.9	Profit forecast or estimate	Not applicable, no profit forecast has been made.
B.10	Audit report qualifications	Not applicable, no audit report qualifications apply.
B.12	Selected historical key financial information, any material adverse changes in the prospects of the Issuer since the date of its last published audited	

	financial statements and any significant changes in the financial position of the Issuer subsequent to the period covered by historical financial information:	<table><tr><th></th><th>In/end of 4Q 2012</th><th>In/end of 4Q 2011</th><th>Financial Year 2012</th><th>Financial Year 2011</th></tr><tr><td colspan="5">Net income (CHF million)</td></tr><tr><td>Net income/(loss) attributable to shareholders</td><td>397</td><td>(637)</td><td>1,483</td><td>1,953</td></tr><tr><td>of which from continuing operations</td><td></td><td></td><td>1,483</td><td>1,953</td></tr><tr><td colspan="5">Earnings per share (CHF)</td></tr><tr><td>Basic earnings/(loss) per share</td><td>0.17</td><td>(0.62)</td><td>0.91</td><td>1.37</td></tr><tr><td>Diluted earnings/(loss) per share</td><td>0.17</td><td>(0.62)</td><td>0.90</td><td>1.36</td></tr><tr><td colspan="5">Return on Equity (%)</td></tr><tr><td>Return on equity attributable to shareholders</td><td>4.4</td><td>(7.7)</td><td>4.3</td><td>6.0</td></tr><tr><td colspan="5">Core Results (CHF million)</td></tr><tr><td>Net revenues</td><td>5,721</td><td>4,473</td><td>23,606</td><td>25,429</td></tr><tr><td>Provision for credit losses</td><td>70</td><td>97</td><td>170</td><td>187</td></tr><tr><td>Total operating expenses</td><td>5,055</td><td>5,374</td><td>21,330</td><td>22,493</td></tr><tr><td>Income/(loss) from continuing operations before taxes</td><td>596</td><td>(998)</td><td>2,106</td><td>2,749</td></tr><tr><td colspan="5">Core Results statement of operations metrics (%)</td></tr><tr><td>Cost/income ratio</td><td>88.4</td><td>120.1</td><td>90.4</td><td>88.5</td></tr><tr><td>Pre-tax income margin</td><td>10.4</td><td>(22.3)</td><td>8.9</td><td>10.8</td></tr><tr><td>Effective tax rate</td><td>32.4</td><td>39.8</td><td>28.0</td><td>24.4</td></tr><tr><td>Net income margin</td><td>6.9</td><td>(14.2)</td><td>6.3</td><td>7.7</td></tr><tr><td colspan="5">Assets under management and net new assets (CHF billion)</td></tr><tr><td>Assets under management</td><td>1,250.8</td><td>1,185.2</td><td>1,250.8</td><td>1,185.2</td></tr><tr><td>Net new assets</td><td>6.8</td><td>4.5</td><td>10.8</td><td>46.6</td></tr><tr><td colspan="5">Balance sheet statistics (CHF million)</td></tr><tr><td>Total assets</td><td>924,187</td><td>1,049,165</td><td>924,187</td><td>1,049,165</td></tr><tr><td>Net loans</td><td>242,223</td><td>233,413</td><td>242,223</td><td>233,413</td></tr><tr><td>Total shareholders' equity</td><td>35,632</td><td>33,674</td><td>35,632</td><td>33,674</td></tr><tr><td>Tangible shareholders' equity</td><td>27,000</td><td>24,795</td><td>27,000</td><td>24,795</td></tr><tr><td colspan="5">Book value per share outstanding (CHF)</td></tr><tr><td>Book value per share</td><td>27.54</td><td>27.59</td><td>27.54</td><td>27.59</td></tr><tr><td colspan="5">Shares outstanding (million)</td></tr><tr><td>Common shares issued</td><td>1,320.8</td><td>1,224.3</td><td>1,320.8</td><td>1,224.3</td></tr><tr><td>Treasury shares</td><td>(27.0)</td><td>(4.0)</td><td>(27.0)</td><td>(4.0)</td></tr><tr><td>Shares outstanding</td><td>1,293.8</td><td>1,220.3</td><td>1,293.8</td><td>1,220.3</td></tr><tr><td colspan="5">Market capitalization</td></tr><tr><td>Market capitalization (CHF million)</td><td>29,402</td><td>27,021</td><td>29,402</td><td>27,021</td></tr><tr><td>Market capitalization (USD million)</td><td>32,440</td><td>28,747</td><td>32,440</td><td>28,747</td></tr><tr><td colspan="5">BIS statistics (Basel II.5)</td></tr><tr><td>Risk-weighted assets (CHF million)</td><td>224,296</td><td>241,753</td><td>224,296</td><td>241,753</td></tr><tr><td>Tier 1 ratio (%)</td><td>19.5</td><td>15.2</td><td>19.5</td><td>15.2</td></tr><tr><td>Core tier 1 ratio (%)</td><td>15.6</td><td>10.7</td><td>15.6</td><td>10.7</td></tr><tr><td colspan="5">Dividend per share (CHF)</td></tr><tr><td>Dividend per share</td><td>-</td><td>-</td><td>0.75</td><td>0.75</td></tr></table> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2011. There has been no significant change in the financial position of Credit Suisse AG since 31 December 2012.</p>		In/end of 4Q 2012	In/end of 4Q 2011	Financial Year 2012	Financial Year 2011	Net income (CHF million)					Net income/(loss) attributable to shareholders	397	(637)	1,483	1,953	of which from continuing operations			1,483	1,953	Earnings per share (CHF)					Basic earnings/(loss) per share	0.17	(0.62)	0.91	1.37	Diluted earnings/(loss) per share	0.17	(0.62)	0.90	1.36	Return on Equity (%)					Return on equity attributable to shareholders	4.4	(7.7)	4.3	6.0	Core Results (CHF million)					Net revenues	5,721	4,473	23,606	25,429	Provision for credit losses	70	97	170	187	Total operating expenses	5,055	5,374	21,330	22,493	Income/(loss) from continuing operations before taxes	596	(998)	2,106	2,749	Core Results statement of operations metrics (%)					Cost/income ratio	88.4	120.1	90.4	88.5	Pre-tax income margin	10.4	(22.3)	8.9	10.8	Effective tax rate	32.4	39.8	28.0	24.4	Net income margin	6.9	(14.2)	6.3	7.7	Assets under management and net new assets (CHF billion)					Assets under management	1,250.8	1,185.2	1,250.8	1,185.2	Net new assets	6.8	4.5	10.8	46.6	Balance sheet statistics (CHF million)					Total assets	924,187	1,049,165	924,187	1,049,165	Net loans	242,223	233,413	242,223	233,413	Total shareholders' equity	35,632	33,674	35,632	33,674	Tangible shareholders' equity	27,000	24,795	27,000	24,795	Book value per share outstanding (CHF)					Book value per share	27.54	27.59	27.54	27.59	Shares outstanding (million)					Common shares issued	1,320.8	1,224.3	1,320.8	1,224.3	Treasury shares	(27.0)	(4.0)	(27.0)	(4.0)	Shares outstanding	1,293.8	1,220.3	1,293.8	1,220.3	Market capitalization					Market capitalization (CHF million)	29,402	27,021	29,402	27,021	Market capitalization (USD million)	32,440	28,747	32,440	28,747	BIS statistics (Basel II.5)					Risk-weighted assets (CHF million)	224,296	241,753	224,296	241,753	Tier 1 ratio (%)	19.5	15.2	19.5	15.2	Core tier 1 ratio (%)	15.6	10.7	15.6	10.7	Dividend per share (CHF)					Dividend per share	-	-	0.75	0.75
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B.13	Events impacting the Issuer's solvency	Not applicable, no recent events particular to the Issuer have occurred which are material to the evaluation of the Issuer's solvency.																																																																																																																																																																																																																		
B.14	Dependence upon other group entities	See Element B5 for information on the Group structure. Dependence upon other group entities is not applicable.																																																																																																																																																																																																																		
B.15	Principal activities	<p>Credit Suisse AG is structured along several lines of business. In its Investment Banking business, Credit Suisse AG offers securities products and financial advisory services to users and suppliers of capital around the world. Operating in 57 locations across 30 countries, Credit Suisse AG is active across the full spectrum of financial services products including debt and equity underwriting, sales and trading, mergers and acquisitions, investment research, and correspondent and prime brokerage services.</p> <p>In Private Banking, Credit Suisse AG provides comprehensive advice and a broad range of investment products and services tailored to the complex needs of high-net-worth individuals globally. Wealth management solutions include tax planning</p>																																																																																																																																																																																																																		

		<p>pension planning; life insurance solutions; wealth and inheritance advice, trusts and foundations. In Switzerland, Credit Suisse AG supplies banking products and services to private banking clients as well as to business and retail clients.</p> <p>In its Asset Management business, Credit Suisse AG offers products across a broad spectrum of investment classes, including alternative investments such as private equity, hedge funds, real estate and credit, as well as multi asset class solutions, which include equities and fixed income products. Credit Suisse AG's Asset Management business manages portfolios, mutual funds, and other investment vehicles for a broad spectrum of clients ranging from governments, institutions and corporations to private individuals. With offices focused on asset management in 21 countries, Credit Suisse AG's Asset Management business is operated as a globally integrated network to deliver the bank's best investment ideas and capabilities to clients around the world.</p> <p>Effective November 30, 2012, the Private Banking business and the Asset Management business were combined to form the Private Banking & Wealth Management business.</p>
B.16	Controlling shareholders	The Issuer is a wholly owned direct subsidiary of Credit Suisse Group AG.

Section C — Securities

Element	Disclosure requirement	
C.1	Description of Securities/ Security Identification Number	<p>The Securities are EUR 10,000,000 Credit Linked Notes linked to iTraxx® Europe Series 9 Version 1 (6 to 9%), due 2018.</p> <p>The Securities form Series SPLB2013-079</p> <p>There is no class in respect of the Securities.</p> <p>Security Identification Number: XS0899309529.</p>
C.2	Currency	The Securities will be denominated in Euro (" EUR ")
C.5	Restrictions on transferability	The Securities will be freely transferable, subject to the applicable laws and regulations and selling restrictions of any relevant jurisdiction.
C.8	Rights attaching to the Securities	<p>The Securities will have terms and conditions relating to, among other matters:</p> <p>Status</p> <p>The Securities are unsubordinated and unsecured obligations of Credit Suisse AG and rank equally with all other unsubordinated and unsecured obligations of Credit Suisse AG.</p> <p>Events of Default</p> <p>The terms of the Securities will contain the following events of default:</p> <p>(a) failure to pay any amount due on the Securities within 30 days after the due date; and</p> <p>(b) events relating to the insolvency or liquidation of the Issuer.</p> <p>Meetings</p> <p>The conditions of the Securities will contain provisions for calling meetings of holders of such Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Substitution</p>

		The Securities allow for the possibility of the substitution of the Issuer without the consent of the Securityholders with an affiliate of the Issuer provided that such affiliate has, or is guaranteed by an affiliate which has, a long-term unsecured debt rating equal to or higher than that of the Issuer.
C.11	Admission to Trading	Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange.
C.15	A description of how the value of the investment is affected by the value of the underlying instrument	<p>The value of the Securities is linked to a hypothetical credit default swap (the "Reference CDS") pursuant to which the Issuer is deemed to be "Buyer" and a notional counterparty is "Seller". The Seller under the Reference CDS (and accordingly, the Securityholders under the Securities) are exposed to the 6 to 9% loss tranche of portfolio credit default swap exposure on the reference entities (each, a "Reference Entity") which comprise the iTraxx® Europe Series 9 Version 1 (the "Reference Index").</p> <p>Payments of interest and principal on the Securities are dependent on whether one or more of a number of specified events occurs in relation to the relevant Reference Entity or Reference Entities (referred to as "Credit Events") and whether, as a result, an Event Determination Date would occur and whether, amongst others, the credit loss amount determined in respect of the affected Reference Entity (aggregated with the credit loss amounts of previous affected Reference Entities) would exceed the 0 to 6% first loss tranche of the portfolio credit default swap exposure.</p> <p>If so, the Outstanding Nominal Amount of each Security will be written down from and including each relevant Loss Determination Date (by an amount corresponding to the credit loss amount determined by reference to, amongst others, the auction final price or final price of the affected Reference Entity) and interest will cease to accrue on a corresponding amount of the Outstanding Nominal Amount of each Security on the Event Determination Date. The Outstanding Nominal Amount of each Security may be reduced to zero on a Loss Determination Date occurring prior to the Scheduled Maturity Date.</p> <p>See Element C.18 below.</p>
C.16	The maturity date of the securities and Exercise date or final reference date	Each of the Maturity Date and the Scheduled Termination Date of the Reference CDS is scheduled to be 20 June 2018.
C.17	The settlement procedure in respect of the securities	The Outstanding Nominal Amount per Security will be paid to the Securityholder on the Scheduled Maturity Date or Extended Maturity Date as applicable.
C.18	The return on the Securities	<p>Interest is payable quarterly on the Securities at:</p> <p>(a) a fixed rate of interest (3% per annum) from and including the Business Day following the Trade Date to but excluding the Issue Date; and</p> <p>(b) a floating rate of interest (3 month Euribor plus 3% per annum) from and including the Issue Date to but excluding the Scheduled Maturity Date, subject to early redemption,</p> <p>and subject to reduction following an Event Determination Date (see</p>

		<p>C.15) and subject to deduction on subsequent interest payment dates to the extent the Loss Determination Date occurs in an interest period after the interest period in which the Event Determination Date occurs or to the extent such amount to be deducted is greater than the interest amount payable on the relevant interest payment date. To the extent such amount to be deducted is greater than the interest amount payable on the final interest payment date, the Outstanding Nominal Amount per Security is subject to reduction pro rata by the difference ("Final Coupon Clawback Amount").</p> <p>Unless the Outstanding Nominal Amount per Security has been reduced to zero, the amount payable on final redemption of the Securities on the Scheduled Maturity Date or Extended Maturity Date as applicable will be the then Outstanding Nominal Amount per Security.</p> <p>The Outstanding Nominal Amount per Security is subject to reduction if an Event Determination Date occurs in respect of a Reference Entity and if, amongst others, the credit loss amount determined in respect of the affected Reference Entity (aggregated with the credit loss amounts of previous affected Reference Entities) would exceed the 0 to 6% first loss tranche of the portfolio credit default swap exposure. The Outstanding Nominal Amount per Security is also subject to reduction by the Final Coupon Clawback Amount.</p> <p>The return on the Securities may be a negative amount and investors may lose some or all of their original invested amount.</p>
C.19	Exercise price or final reference price of the underlying	For each Reference Entity in respect of which an Event Determination Date occurs, the auction final price or final price determined by dealer poll of such Reference Entity.
C.20	Description of the underlying and where information on the underlying can be found	The iTraxx® Europe Series 9 Version 1 (the " Reference Index ") comprises 125 equally-weighted European names. More information on the Reference Index is available at www.markit.com . This website does not form part of the terms and conditions of the Securities.

Section D — Risks

Element	Disclosure requirement	
D.2	Key risks regarding the Issuer	<p>Securityholders are exposed to the credit risk of the Issuer as the Securities are unsecured. The Securities will be adversely affected in the event of a default, reduced credit rating or deterioration in the solvency of the Issuer.</p> <p>The profitability of the Issuer will be affected by, among other things, changes in global economic conditions, inflation, interest/exchange rates, capital risk, liquidity risk, cost and availability of credit, volatility, market changes, business risk, operational risk, market risk and reputation, new or increased regulation, legal risks, tax risk, regulatory compliance risk and competition.</p> <p>The Issuer has identified a number of factors which could materially adversely affect its businesses and its ability to make payments due under the Securities. These factors include:</p> <ol style="list-style-type: none"> 1. Liquidity, or ready access to funds, is essential to the Issuer's businesses, particularly its investment banking

		<p>business.</p> <ul style="list-style-type: none"> • The Issuer's liquidity could be impaired if it was unable to access the capital markets or sell its assets, and the Issuer also expects its liquidity costs to increase. • The Issuer's businesses rely significantly on its deposit base for funding. Although deposits have been, over time, a stable source of funding, this may not continue. In that case, the Issuer's liquidity position could be adversely affected. • Changes in the Issuer's rating may adversely affect its businesses by increasing its borrowing costs, limiting its access to capital markets, increasing its cost of capital and adversely affecting the ability of its businesses to sell or market products, engage in business transactions (particularly longer-term and derivatives transactions) and retain clients. <p>2. Market Risk</p> <ul style="list-style-type: none"> • The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility. • The Issuer's businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries it operates in around the world. • The Issuer may incur significant losses in the real estate sector. • Concentrations of risk could increase losses in the Issuer's Private Banking and Investment Banking businesses, which may have sizeable loans to, and securities holdings in certain customers, industries or countries. • If the hedging strategies the Issuer uses to hedge its exposure to various types of risk in its businesses are not effective, the Issuer may incur losses. • Market risk may increase other risks faced by the Issuer. For example, if the Issuer were to incur substantial trading losses, its need for liquidity could rise sharply while its access to liquidity could be impaired. <p>3. Credit Risk</p> <ul style="list-style-type: none"> • The Issuer may suffer significant losses from the fundamental risk that borrowers and other counterparties will be unable to perform their obligations. • Defaults by a large financial institution could adversely affect financial markets generally and the Issuer specifically. • The information that the Issuer uses to manage its credit risk may be inaccurate or incomplete. <p>4. Risks relating to special purpose entities ("SPEs"). The Issuer enters into transactions with SPEs which are not consolidated with the Issuer and the assets and liabilities of the SPEs are not on the Issuer's balance sheet. If the</p>
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		<p>Issuer were required to consolidate an SPE, its assets and liabilities would be recorded on the Issuer's consolidated balance sheet and it would recognise related gains and losses which could have an impact on the Issuer's results and capital and leverage ratios.</p> <p>5. Cross-border and foreign exchange risk</p> <ul style="list-style-type: none"> • Country, regional and political risks may increase market and credit risks. • The Issuer may face significant losses in emerging markets. • Currency fluctuations may adversely affect the Issuer's results of operations. <p>6. Operational risk</p> <ul style="list-style-type: none"> • The Issuer is exposed to a wide variety of operational risks, including information technology risk. • The Issuer may suffer losses due to employee misconduct including negligence and fraud which may result in regulatory sanctions and serious reputational or financial harm. <p>7. Risk management - The Issuer's risk management procedures and hedging strategies, and the judgments behind them, may not fully mitigate its risk exposure in all markets or against all types of risk.</p> <p>8. Legal and regulatory risks</p> <ul style="list-style-type: none"> • The Issuer faces significant legal risks in its businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms including the Issuer are increasing. • Potential regulatory changes including enhanced capital, leverage and liquidity requirements, changes in compensation practices (including tax levies) and measures to address systemic risk may adversely affect the Issuer's business and ability to execute its strategic plans. • The Issuer is affected by changes in monetary policy which are beyond the Issuer's control and are difficult to predict. • Legal restrictions on the Issuer's clients, including changes in the interpretation or enforcement of existing laws and rules, may reduce the demand for the Issuer's services. <p>9. Competition</p> <ul style="list-style-type: none"> • The Issuer faces intense competition in all financial services markets and for the products and services it offers. • The Issuer's competitive position could be harmed if its reputation is damaged which may occur if its comprehensive procedures and controls fail, or appear to fail, to address conflicts of interest, prevent employee misconduct, produce materially accurate and complete financial and other information or prevent adverse legal or regulatory actions.
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		<ul style="list-style-type: none"> • The Issuer's performance is dependent on recruiting and retaining highly skilled employees, competition for which is intense. • The Issuer businesses face competitive challenges from new trading technologies, which may adversely affect its commission and trading revenues, exclude its businesses from certain transaction flows, reduce its participation in the trading markets and the associated access to market information and lead to the creation of new and stronger competitors. <p>10. Risks relating to the Issuer's strategy</p> <ul style="list-style-type: none"> • The Issuer may not achieve all of the expected benefits of its strategic initiatives including reducing its headcount, rationalising its business footprint, more fully integrating its operating model and centralising its infrastructure and streamlining operational and support functions. Factors beyond the Issuer's control, including but not limited to market and economic conditions could limit its ability to achieve all of the expected benefits of such initiatives.
D.6	Key risks regarding the Securities	<p>There are also certain factors which are material for the purpose of assessing the risks associated with Securities which include the following:</p> <ul style="list-style-type: none"> • Investors may lose the value of their entire investment or part of it. • A secondary market for the Securities may not develop and, if it does, it may not provide the holders with liquidity and may not continue for the life of the Securities. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities. Illiquidity may have a severely adverse effect on the market value of the Securities. • Any investor in the Securities must be prepared to hold such Securities until the Maturity Date of the Securities. The Issuer may, but is not obliged to, purchase Securities at any time at any price in the open market or by tender or private treaty and may hold, resell or cancel them. There may be no or a very limited market for the Securities. The only way in which a Securityholder can realise value from a Security prior to its maturity is to sell it at its then market price in the market which may be less than the amount initially invested. The price in the market for a Security may be less than its Issue Price even though the prices of the Shares may not have changed since the Issue Date. • The terms of the Reference CDS are used solely for the purposes of determining the amounts payable under the Securities, the timing of any such payments and other matters specified in the terms of the Securities. As an investor in the Securities, a Securityholder will not acquire any interest in, or rights under an actual credit default swap, either in relation to the Securities or otherwise. Furthermore, Securityholders may not benefit from rights that would be available to a seller of credit risk protection under a Reference CDS. In particular, Securityholders will not have the right (which would be available to a seller of credit risk protection under a Reference CDS) to trigger settlement of the Securities following the occurrence of a

		<p>"Restructuring" Credit Event; such right will be exercisable solely by the Calculation Agent acting in the Issuer's interests. Securityholders will not have any rights against any Reference Entity.</p> <ul style="list-style-type: none"> • If an Event Determination Date occurs in respect of any Reference Entity comprised in the Reference Index and, amongst others, the Aggregate Loss Amount exceeds the Loss Threshold Amount under the Reference CDS, the outstanding nominal amount of the Securities will be reduced by the related Credit Event Writedown Amount. Securityholders will accordingly suffer a loss of principal in such case. In addition, interest will cease to accrue on an amount corresponding to the Credit Event Writedown Amount as a result of such Event Determination Date with effect from and including the Event Determination Date. Securityholders will accordingly suffer a loss of interest in such case. • The seller under the Reference CDS (and, accordingly, the Securityholders under the Securities) are exposed to the 6 to 9% loss tranche of portfolio credit default swap exposure on the Reference Entities which comprise the iTraxx® Europe Series 9 Version 1 (the "Reference Entity Portfolio"). This position represents a leveraged exposure to credit default swap risk since the size of the aggregate notional amount attributed to the Reference Entity Portfolio is considerably larger than the notional 6 to 9% loss risk to which the seller (or a Securityholder) is exposed under the Reference CDS. This position entails a high degree of risk (such that the seller (or a Securityholder) will suffer higher losses due to the settlement of Credit Events than those it would suffer in respect of an unleveraged credit default swap that referenced the Reference Entity Portfolio). • Redemption may be delayed if the Reference CDS will or may terminate after the Scheduled Maturity Date of the Securities. Any such delay may be material. Even where an Event Determination Date does not occur, interest payable to Securityholders for the period following the Scheduled Maturity Date may be substantially lower than the coupon rate applicable to the Securities prior to such date. The obligations of the Issuer under the Securities may be suspended pending a resolution of a Credit Derivatives Determinations Committee as to whether a Credit Event has occurred. Securityholders will not be compensated for any such delay. • In making determinations for the purposes of the Securities, the Calculation Agent does not owe any duty to the Securityholders. It will act in the interests of the Issuer and not in the interests of the Securityholders in such regard. • The Issuer is subject to a number of conflicts of interest, including: <ul style="list-style-type: none"> (a) in making certain calculations and determinations, there may be a conflict of interest between the Securityholders and the Issuer; (b) in the ordinary course of its business the Issuer (or an affiliate) may effect transactions for its own account and may enter into hedging transactions with respect to the Securities or the Underlying Asset which may have a negative impact on the
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		<p>liquidity or value of the Securities; and</p> <p>(c) the Issuer (or an affiliate, or any employees thereof) may have confidential information in relation to the Reference Index or any Reference Entity or a derivative instrument referencing the Reference Index or any Reference Entity or which may be material to an investor, but which the Issuer is under no obligation (and may be subject to legal prohibition) to disclose.</p> <ul style="list-style-type: none"> • The levels and basis of taxation on the Securities and any reliefs from such taxation will depend on an Securityholder's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for Securityholders. • The investor may be exposed to a currency risk, because the Securities are denominated, or may have a payment in a currency other than that of the country in which the investor is resident. The value of the investment may therefore increase or decrease based on currency fluctuations.
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Section E — Offer

Element	Disclosure requirement	
E.2b	Reasons of the offer/use of proceeds	The net proceeds from each issue of Securities will be used to hedge the obligations of the Issuer under the Securities and for general corporate purposes.
E.3	Terms and conditions of the offer	Not applicable, the Securities will not be offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive.
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The Securities will not be offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive.</p> <p>The Issuer and/or any of its affiliates may engage in trading activities (including hedging activities) related to interests underlying any Securities and other instruments or derivative products based on or related to interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also act as underwriter in connection with future offerings of shares or other securities of, or guaranteed by, a Reference Entity or otherwise related to an issue of Securities may act as a lender and/or agent or trustee with respect to any loan or other financing to, or guaranteed by, a Reference Entity, and/or may act as financial adviser to companies whose securities impact the return on the Securities. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely</p>

		affect the value of the Securities.
E.7	Expenses charged to the investor by the Issuer or an offeror	Not applicable.

PART TWO
SECURITIES NOTE

RISK FACTORS

The risk factors set out below should be read in addition to the risk factors set out on pages 14 to 38 (inclusive) of the Base Prospectus. Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them.

Capitalised terms used herein and not otherwise defined shall have the meanings given to them in the Asset Terms.

The Securities involve complex risks, which include, among other things, share price risks, credit risks, foreign exchange risks, exchange rate risks, interest rate risks and/or political risks. Before buying the Securities, investors should carefully consider, among other things, (i) the trading price of the Securities, (ii) the value and volatility of the Reference Index and each Reference Entity, (iii) the depth of the market or liquidity of the Securities, and (iv) any related transaction costs. An investment in the Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) are capable of evaluating the merits and risks of such an investment. Investors should consult their own financial, tax, legal or other advisers as they consider appropriate and carefully review and consider such an investment decision in the light of the foregoing and their personal circumstances.

Investors may lose the value of their entire investment or part of it.

Risk Factors specific to the credit-linked nature of the Securities

1. CREDIT-LINKED SECURITIES GENERALLY

1.1 Investors will be exposed to the credit risk of the Reference Entity or Reference Entities

The Securities issued on the basis of the Asset Terms are credit-linked securities. In addition to the credit risk of the Issuer, payments on the Securities are subject to the credit risk of the Reference Entity or Reference Entities.

If an Event Determination Date occurs and, amongst others, the Aggregate Loss Amount exceeds the Loss Threshold Amount under the Reference CDS, the outstanding nominal amount of the Securities will be reduced by the related Credit Event Writedown Amount. Securityholders will accordingly suffer a loss of principal in such case.

In addition, interest will cease to accrue on an amount corresponding to the Credit Event Writedown Amount as a result of such Event Determination Date with effect from and including the Event Determination Date. Securityholders will accordingly suffer a loss of interest in such case. Interest amounts are subject to deduction on subsequent interest payment dates to the extent the Loss Determination Date occurs in an interest period after the interest period in which the Event Determination Date occurs or to the extent such amount to be deducted is greater than the interest amount payable on the relevant interest payment date. To the extent such amount to be deducted is greater than the interest amount payable on the final interest payment date, the Outstanding Nominal Amount per Security is subject to reduction pro rata by the difference.

1.2 There will be increased risks associated with Securities linked to multiple Reference Entities

If the Securities are linked to multiple Reference Entities, then the probability that an Event Determination Date may occur in relation to any particular Reference Entity may be increased. The risk of default of Reference Entities may be correlated, in that adverse economic factors which apply to one Reference Entity may apply to other Reference Entities, or the default or decline in creditworthiness of a particular Reference Entity may itself adversely affect other Reference Entities. Such risks may be particularly significant where the Reference Entities are concentrated in a particular industry sector or geographical region.

Event Determination Dates may occur with respect to multiple Reference Entities.

Accordingly the risk of investing in such Securities will be greater than the risk of investing in a security which includes only one of such entities as its sole Reference Entity.

1.3 A Credit Event may occur even if the Issuer does not suffer any loss

The Issuer's obligations under the Securities are irrespective of any loss which the Issuer may suffer as a result of the circumstances giving rise to a Credit Event. The Issuer is not required to suffer any such loss as a condition to making a determination as to the occurrence of a Credit Event, nor is it required to have any credit exposure to any Reference Entity at any time.

1.4 Credit Events and Succession Events may occur prior to the Trade Date

An Event Determination Date may occur, or one or more successor Reference Entities be determined, as a result of a Credit Event or Succession Event, as applicable, that took place prior to the Trade Date. The Issuer shall have no obligation to notify Securityholders as to whether or not a Credit Event or Succession Event has, or may have, taken place prior to the Trade Date.

1.5 Reference Entities may change as a result of Succession Events

Following the occurrence of:

- (a) certain corporate events relating to a corporate entity identified as a Reference Entity, such as a merger of the Reference Entity with another entity, a transfer of assets or liabilities by the Reference Entity or other similar event in which an entity succeeds to the obligations of another entity; or
- (b) certain events relating to a sovereign entity identified as a Reference Entity, such as where two sovereign entities are unified to form a single sovereign entity or where a sovereign entity is split as a result of part of such entity becoming independent or declaring political independence,

in each case whether by operation of law or pursuant to any agreement, ISDA may publicly announce that a CDDC has resolved to treat a different entity or entities as the successor(s) to such original entity. If the Issuer determines that such CDDC resolution would apply for purposes of the Reference CDS, then the identity of the Reference Entity will be amended accordingly and Securityholders will be exposed to the credit risk of such successor Reference Entity in place of the original Reference Entity. Alternatively, absent a resolution of the CDDC, the Calculation Agent may, but will not be obliged to, make a determination that a different entity has become successor to the original Reference Entity. The effect of such

amendment may be a material increase in the risk associated with an investment in the Securities, for example where the successor Reference Entity is more indebted than the original Reference Entity or is exposed to different business risks.

If a Reference Entity has more than one successor entity, then Securityholders will be exposed to the creditworthiness of multiple Reference Entities instead of or in addition to the original Reference Entity. The effect may be to materially increase the likelihood of a loss of principal and interest under the Securities as a result of a Credit Event occurring with respect to a number of Reference Entities rather than just one Reference Entity.

1.6 Investors will not have a claim against any Reference Entity or Reference Obligations

A purchase of Securities does not constitute a purchase of the Reference Obligations or any other debt obligations of the Reference Entity, or of any interest in any such obligations. Securityholders will have rights solely against the Issuer of the Securities and will not have any rights against any Reference Entity. In particular, Securityholders will not have:

- (a) the right to vote or give or withhold from giving any consent in relation to any Reference Obligation or any other obligation of any Reference Entity;
- (b) the right to receive any coupons, fees or other distributions which may be paid by any Reference Entity to holders of the Reference Obligation or any of the other debt obligations of any Reference Entity; or
- (c) the right to receive any information from any Reference Entity.

Accordingly, an investment in the Securities is not equivalent to an investment in any Reference Obligation or any other debt obligation of a Reference Entity.

1.7 The market value of the Securities may be affected by a wide variety of factors

A number of factors, many of which are beyond the Issuer's control, will influence the value of the Securities. In addition to those factors which would affect the value of the Issuer's debt generally, factors specific to the Securities may include:

- (a) the financial condition and perceived creditworthiness of each Reference Entity;
- (b) the availability and payment profile of debt obligations of the Reference Entity;
- (c) liquidity and other technical factors affecting pricing in the credit default swap market;
- (d) the views of analysts at rating agencies; and
- (e) economic, financial, political, regulatory or judicial events that affect a Reference Entity or the markets for the debt securities of each Reference Entity.

Even where a Credit Event has not occurred, the market value of the Securities may be adversely affected when the probability or perceived probability of a Credit Event occurring in respect of any specified Reference Entity increases.

1.8 The Securities may be illiquid

Due to the risks associated with the Securities, the Securities may be or become illiquid. The Issuer is not obliged to make a market in the Securities. Accordingly, Securityholders will bear the risk of being unable to liquidate the Securities or having to do so at a price which reflects

the prevailing price for the credit risk of the Reference Entity which may lead to a loss of the amount invested.

1.9 Securities linked to emerging markets entities may be particularly risky

If the Securities are linked to a sovereign or corporate Reference Entity which is or is domiciled in or has significant business exposure to an emerging market jurisdiction, Securityholders should note that emerging market economies may be particularly volatile. Such increased volatility may occur as a result of reliance on a limited number of commodity markets, exposure to levels of consumer or industrial demand in developed or other emerging market economies, capital inflows and outflows, currency exchange rates, corruption, political risk or civil unrest. Publicly available information, including official statistics, may be incorrect, incomplete or misleading, which could have an impact on investors given that such information may be used to determine the existence, or non-existence of a Credit Event in respect of that Reference Entity. Accordingly the risk of the occurrence of a Credit Event may be particularly high in relation to such Reference Entities.

2. RISKS RELATING TO THE REFERENCE CDS

2.1 Investors should ensure they understand the terms of the Reference CDS and associated risks

The terms of the Securities refer to a hypothetical credit default swap referencing each Reference Entity (the "**Reference CDS**"). The Calculation Agent will exercise rights of, and perform determinations to be made by, the buyer of credit risk protection and the calculation agent under the terms of the Reference CDS. In the event that the terms of the Reference CDS oblige or entitle the buyer, the seller or the Reference CDS calculation agent to give or deliver notice to any person, the Calculation Agent may determine that such notice has, or has not been given, and if applicable the date and time as of which it is given and its contents. Where the Calculation Agent determines that a notice has been given, the relevant notice shall be deemed to be validly given pursuant to the terms of the Reference CDS. In so doing, the Calculation Agent will act in its own interest and has no fiduciary or other duty to act (or to refrain from acting) in the best interests of the Securityholders.

Prior to purchasing any Securities, investors should ensure that they understand the terms of the Reference CDS and the risks associated with entry into such transaction.

A prospective investor should (i) have sufficient access to, and knowledge of, the Credit Derivatives Definitions, the iTraxx® Europe Tranché Transactions Standard Terms Supplement (published on 23 November 2009) (the "**Standard Terms Supplement**") and any other documents which are expressed to be incorporated into, or which are otherwise referred to in, the Reference CDS or the relevant Credit Derivatives Definitions; and (ii) thoroughly understand the terms of the relevant Reference CDS, and the related risks. An investor should also understand the role of Credit Derivatives Determinations Committees, and how determinations by such committees may affect the operation of the Reference CDS and accordingly the risks associated with the Securities. An investor should ensure that it has the ability to monitor any matters which are under consideration by, and determinations made by, Credit Derivatives Determinations Committees to the extent that they may be relevant to the Reference CDS and accordingly the Securities.

The seller under the Reference CDS (and, accordingly, the Securityholders under the Securities) are exposed to the 6 to 9% loss tranche of portfolio credit default swap exposure

on the Reference Entities which comprise the iTraxx® Europe Series 9 Version 1 (the "**Reference Entity Portfolio**"). This position represents a leveraged exposure to credit default swap risk since the size of the aggregate notional amount attributed to the Reference Entity Portfolio is considerably larger than the notional 6 to 9% loss risk to which the seller is exposed under the Reference CDS. This position entails a high degree of risk (such that the seller will suffer higher losses due to the settlement of Credit Events than those it would suffer in respect of an unleveraged credit default swap that referenced the Reference Entity Portfolio).

The more Reference Entities which become subject to Credit Events, the greater the losses that will be suffered by the Seller through the payment of Cash Settlement Amounts (as defined in the Standard Terms Supplement incorporated by reference into the Reference CDS) to the buyer under the Reference CDS. Following the determination of a Cash Settlement Amount under the Reference CDS, the Outstanding Nominal Amount of each Security shall be written down on the corresponding Loss Determination Date (as defined in the Specific Terms) by the applicable Credit Event Writedown Amount in accordance with the Asset Terms.

Market and regulatory developments affecting credit derivatives transactions have in the past and may in the future lead to changes in the documentation or settlement of credit derivative transactions. In some cases market participants may elect to apply such revised terms to some or all of the existing transactions entered into between them. Where the Issuer, or any of its affiliates, elects to apply such terms to transactions under which it has hedged, in whole or in part, the risks and rewards associated with the Securities, the Calculation Agent shall be entitled (but not obliged), without the consent of the Securityholders, to apply such terms to the Reference CDS and to make such consequential changes to the terms of the Reference CDS and/or the Securities as it in its absolute discretion considers appropriate to reflect such terms. There can be no assurance that the application of such terms will operate to improve the return to an investor on its investment in the Securities, and they may indeed have a material and detrimental effect on such a return.

2.2 An investment in the Securities is not equivalent to entry into a Reference CDS

The terms of the Reference CDS are used solely for the purposes of determining the amounts payable under the Securities, the timing of any such payments and other matters specified in the terms of the Securities. As an investor in the Securities, a Securityholder will not acquire any interest in, or rights under an actual credit default swap, either in relation to the Securities or otherwise. Furthermore, Securityholders may not benefit from rights that would be available to a seller of credit risk protection under a Reference CDS. In particular:

- (a) Securityholders will not have the right (which would be available to a seller of credit risk protection under a Reference CDS) to trigger settlement of the Securities following the occurrence of a "Restructuring" Credit Event; such right will be exercisable solely by the Calculation Agent acting in the Issuer's interests; and
- (b) following such a Credit Event, where, as a result of limitations of the maturity of eligible debt obligations the Reference CDS would not automatically be settled by reference to an Auction sponsored by ISDA, Securityholders will not have the right (which would be available to a seller of credit protection under a Reference CDS) to elect that an auction being held for purposes of settling credit default swaps having a longer maturity than the Reference CDS be taken into account for such purposes.

3. RISKS RELATING TO SETTLEMENT FOLLOWING A CREDIT EVENT

3.1 Investors are likely to suffer a loss of principal as a result of a Credit Event

If an Event Determination Date occurs with respect to a Reference Entity and, amongst others, the Aggregate Loss Amount exceeds the Loss Threshold Amount under the Reference CDS, there will be a reduction in the outstanding nominal amount of each Security, in which case Securityholders may suffer a loss on their investment in the Securities.

If the outstanding nominal amount of a Security is reduced to zero following the occurrence of an Event Determination Date, upon the performance by the Issuer of its obligations under these Asset Terms with respect to such Event Determination Date (and, if the Securities are linked to multiple Reference Entities, in respect of any prior occurring Event Determination Dates (if any)), the Issuer will be discharged from its obligations and liabilities to Securityholders in respect of such Security, and such Security will be cancelled.

3.2 Cash settlement may be less advantageous to the investor than physical delivery of assets

Payments on the Securities following the occurrence of an Event Determination Date will be in cash and will reflect the value of relevant obligations of the affected Reference Entity at a given date. Such payments may be less than the recovery which would ultimately be realised by a holder of debt obligations of the affected Reference Entity, whether by means of enforcement of rights following a default or receipt of distributions following the commencement of insolvency proceedings or otherwise.

3.3 Risks relating to settlement by reference to an auction sponsored by ISDA

- (a) Where, following the occurrence of an Event Determination Date, ISDA sponsors an Auction in relation to a Reference Entity and the Calculation Agent determines for purposes of the Securities that such Auction would apply for purposes of settlement of a Reference CDS, the Loss Amount will be determined according to a bidding process to establish the value of certain eligible obligations of the Reference Entity, which may be loans, bonds or other obligations issued directly by the Reference Entity or obligations in respect of which the Reference Entity acts as guarantor. The Issuer or its affiliates may act as a participating bidder in any such auction and, in such capacity, may take certain actions which may influence the Auction Final Price including (without limitation) submitting bids, offers and physical settlement requests with respect to the obligations of the Reference Entity. If the Issuer or its affiliates participate in an Auction, then they will do so without regard to the interests of Securityholders, and such participation may have a material adverse effect on the outcome of the relevant Auction and/or on the Securities. Securityholders will have no right to submit bids and/or offers in an Auction.
- (b) The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the specified Reference Entity or its obligations. In particular, the Auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. The Issuer will have no responsibility to dispute any determination of an Auction Final Price or to verify that any Auction has been conducted in accordance with its rules.

- (c) Following a Restructuring Credit Event in relation to which ISDA sponsors multiple concurrent auctions, but where there is no auction relating to credit derivative transactions with a maturity of the Reference CDS, if the Calculation Agent exercises the right of the buyer of credit risk protection under the Reference CDS to elect that the Auction Final Price is determined by reference to an alternative Auction, the Auction Final Price so determined may be lower than the amount which would have been determined based on quotations sought from third party dealers.

3.4 Risk relating to settlement by reference to bid prices obtained by the Calculation Agent

If the Calculation Agent determines that there is or will be no relevant Auction, the Loss Amount will be determined by reference to the value of certain obligations of, or guaranteed by, the affected Reference Entity. Such value will be determined by reference to quotations obtained for such obligations from third party dealers. Any quotations used in the calculation of the Cash Settlement Amount may be affected by factors other than just the occurrence of the Credit Event. Such prices may vary widely from dealer to dealer and substantially between dates on which such quotations are sought. The obligations valued for these purposes may be illiquid and such illiquidity may be more pronounced following the occurrence of a Credit Event, thereby adversely affecting the value of such obligation which in turn will reduce the Outstanding Nominal Amount of the Securities following such Event Determination Date. Such quotations will also be subject to bid-offer spreads, which may be particularly significant in distressed markets. The Calculation Agent, acting in the place of the buyer of credit risk protection under the Reference CDS, will be entitled to select obligations for the purposes of valuation and in so doing will be entitled to select the eligible obligations with the lowest value in the market at the relevant time. This will operate to reduce the Outstanding Nominal Amount of the Securities payable as the redemption amount to Securityholders.

4. POSTPONEMENT OF REDEMPTION AND SETTLEMENT SUSPENSION

4.1 Redemption of the Securities may be deferred

- (a) Prospective investors should note that redemption may be delayed if the Reference CDS will or may terminate after the Scheduled Maturity Date of the Securities. This may occur, for example, where:
 - (i) a potential Credit Event such as a Failure to Pay has occurred prior to the Scheduled Termination Date of the Reference CDS and the termination of the Reference CDS is extended for a certain period beyond the Scheduled Termination Date; or
 - (ii) a resolution of a CDDC is pending.

This may have an adverse effect, amongst other things, on the accrual of interest in respect of the Securities. Any such delay may be material. Even where an Event Determination Date does not occur, interest payable to Securityholders for the period following the Scheduled Maturity Date may be substantially lower than any coupon rate applicable to the Securities prior to such date.

4.2 Settlement Suspension

The obligations of the Issuer under the Securities may be suspended pending a resolution of a CDDC as to whether a Credit Event has occurred. Securityholders will not be compensated for any such delay.

5. RISKS RELATING TO CREDIT DERIVATIVES DETERMINATIONS COMMITTEES

5.1 Resolutions of a CDDC may bind Securityholders

Credit Derivative Determinations Committees established by ISDA (referred to in the terms of the Securities as "**CDDCs**") may make determinations as to the occurrence or non-occurrence of certain events in respect of credit default swap transactions. Such determinations include the occurrence or non-occurrence of Credit Events, the determination as to whether one or more entities should be treated as successors to a Reference Entity, whether one or more Auctions should take place in relation to a Reference Entity and the range of obligations of such Reference Entity, which may be direct loans, bonds or other obligations issued by the Reference Entity itself, or obligations in respect of which the Reference Entity is a guarantor, that should be taken into account in any such Auction. A CDDC may also resolve any other matter of contractual interpretation that is relevant to the credit derivatives market generally. To the extent that any such CDDC resolution would be effective for the purposes of a Reference CDS, such resolution will apply for the purposes of the Securities and will be binding on the Securityholders. In purchasing Securities, Securityholders are therefore subject to the risk that a third party body may make binding decisions which could be adverse to their interests. The Issuer will not have any liability to the Securityholders as a result of any determination of the CDDC that would affect the Reference CDS.

5.2 Members of a CDDC may vote on their own interests and are not bound by precedent

Institutions serving on a CDDC have no duty to research or verify the veracity of information on which a specific determination is based. Institutions serving on a CDDC are under no obligation to vote other than in accordance with their own interests. In addition, a CDDC is not obliged to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts.

The Issuer or its affiliates may be a member of a CDDC and as such may have conflicts of interest. In such case, the interests of the Issuer or its affiliates may be opposed to the Securityholders' interests and they will be entitled to and will act without regard to the Securityholders' interests as a holder of Securities.

5.3 Securityholders will have no control over the composition of a CDDC

The Securityholders will have no role in the composition of any CDDC. The composition of the CDDC will change from time to time, as the term of a member institution may expire or a member institution may be required to be replaced. The Securityholders will have no control over the process for selecting institutions to participate on the CDDC and, to the extent provided for in the Securities, will be subject to the determinations made by such selected institutions in accordance with the Rules.

5.4 Securityholders will have no right to submit questions to a CDDC

The Securityholders will not have any right to submit questions to or provide information to a CDDC, to challenge any CDDC resolution or determination of a CDDC or to request that any such determination or CDDC resolution be submitted for external review.

5.5 Securityholders will have no recourse against ISDA or the members of a CDDC

The Securityholders will have no recourse against ISDA, the institutions serving on the CDDC or any external reviewers. None of ISDA, the institutions serving on the CDDC or the external reviewers owe any duty to the Securityholders.

5.6 Securityholders must inform themselves of the proceedings of the CDDCs

The Securityholders will be responsible for obtaining information relating to the proceedings of CDDCs. None of the Issuer, the Calculation Agent or any of their respective affiliates will be obliged to inform the Securityholders of such information. Failure by the Securityholders to be aware of information relating to determinations of a CDDC will have no effect under the Securities.

6. INFORMATION ON REFERENCE ENTITIES

6.1 The Specific Terms will not provide detailed information with respect to any Reference Entity

The Specific Terms will not provide detailed information with respect to any Reference Entity. Unless otherwise indicated in the Specific Terms, any information contained in the Specific Terms in relation to a Reference Entity will be obtained from publicly available sources. In particular, Specific Terms will not describe any financial or other risks relating to the business or operations of any Reference Entity in general, or the debt obligations of each Reference Entity in particular. The Issuer does not make any representation or give any assurance as to the risks associated with the Reference Entity or an investment in the Securities which is subject to the credit risk of the relevant Reference Entity.

Prior to purchasing any Securities, Securityholders should ensure that they have made any investigations that they consider necessary as to the risks associated with each Reference Entity.

6.2 Public information relating to a Reference Entity may be incomplete, inaccurate or misleading

Publicly available information in relation to a Reference Entity may be incomplete, inaccurate or misleading. The Issuer does not have any obligation to verify the accuracy of any such information. The Issuer does not make any representation that any such information is complete or accurate or not misleading.

Furthermore, the Issuer gives no assurance that all events occurring prior to the Trade Date or Issue Date (including events that would affect the accuracy or completeness of any publicly available documents) that would affect the creditworthiness of a Reference Entity have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or failure to disclose, material future events concerning a Reference Entity could affect its creditworthiness and therefore the market value of the Securities, the likelihood of an Event Determination Date occurring in relation to the relevant Reference Entity and the resulting redemption amount of the Securities.

6.3 The Issuer or its affiliates may have or obtain information about a Reference Entity that will not be shared with the Securityholders

The Issuer or its affiliates may currently or in the future engage in business with a Reference Entity, including acting as lender or advisor, dealing in each Obligation and accepting deposits from, making loans or otherwise extending credit to, and generally engaging in any kind of commercial or investment banking or other business with, a Reference Entity. The Issuer or its affiliates will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for the Securityholders should its actions adversely impact the amount payable to Securityholders. The Issuer or its affiliates may have, or in the course of its business may acquire, non-public information with respect to a Reference Entity that is, or may be, material in the context of the Securities. The Issuer has no responsibility to, and it will not, disclose any such information to the Securityholders.

The Issuer is not under any obligation (i) to review on the Securityholders' behalf, the business, financial conditions, prospects, creditworthiness, status or affairs of any Reference Entity/Entities or conduct any investigation or due diligence into any Reference Entity/Entities or (ii) other than as may be required by applicable rules and regulations relating to the Securities, to make available (a) any information relating to the Securities or (b) any non-public information they may possess in respect of any Reference Entity/Entities.

Past performance of a Reference Entity cannot be considered to be a guarantee of, or a guide to, the future performance of such Reference Entities.

7. RISKS ARISING FROM HEDGING ACTIVITIES OF THE ISSUER AND ITS AFFILIATES

In the ordinary course of its business, including without limitation, in connection with its market making activities, the Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in obligations of the Reference Entity/Entities (including the Reference Obligations, if any, under the Reference CDS) or related derivatives. In addition, in connection with the offering of the Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Entity/Entities, the Reference Obligations or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Entity/Entities, the Reference Obligations or related derivatives which may affect the market price, liquidity or value of the Securities and which could be adverse to the interests of the relevant Securityholders.

8. POTENTIAL CONFLICTS OF INTEREST

The Issuer and/or any of its affiliates may engage in trading activities (including hedging activities) related to interests underlying any Securities and other instruments or derivative products based on or related to interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also act as underwriter in connection with future offerings of shares or other securities of, or guaranteed by, a Reference Entity or otherwise related to an issue of Securities may act as a lender and/or agent or trustee with respect to any loan or other

financing to, or guaranteed by, a Reference Entity, and/or may act as financial adviser to companies whose securities impact the return on the Securities. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of the Securities.

9. CALCULATION AGENT DETERMINATIONS

9.1 Calculation Agent determinations will be binding on the Securityholders

Any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the Securityholders.

9.2 The Calculation Agent does not act for the Securityholders

In making determinations for the purposes of the Securities, the Calculation Agent does not owe any duty to the Securityholders. It will act in the interests of the Issuer and not in the interests of the Securityholders in such regard.

DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus should be read and construed in conjunction with the Base Prospectus dated 14 June 2012 relating to the Credit Suisse AG and Credit Suisse International Structured Products Programme for the issuance of Notes, Certificates and Warrants that has been approved by the UK Listing Authority (the "**Base Prospectus**") (except the documents incorporated by reference therein and as provided below) which shall be deemed to be incorporated in, and form part of, this Prospectus, save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The table below sets out the relevant page references for the information incorporated into this Prospectus by reference. Any non-incorporated parts are either not relevant for the investor or are covered elsewhere in this Prospectus.

Information Incorporated By Reference from the Base Prospectus	Page Reference
Risk Factors	14 to 38
Use of Proceeds	39
General Terms and Conditions of Notes (the " General Conditions ")	40 to 56
Summary of Provisions relating to notes while in Global Form	57
Clearing Arrangements	220 to 221
Market Making Arrangements	222
The Underlying Assets	223
Taxation	331 to 376
Selling Restrictions	378 to 385

Copies of this Securities Note, the Summary and the Base Prospectus will be filed with the Irish Stock Exchange and will be available on the Irish Stock Exchange website (www.ise.ie). A copy of the Base Prospectus is available at

http://www.ise.ie/debt_documents/CS%20CSI%202012%20Level%201%20Base%20Prospectus%20dated%2014%20June%202012_7fc092cf-3bf3-468c-945d-24c8cc0b76b0.pdf.

A copy of the Registration Document is available at:

https://www.credit-suisse.com/investors/doc/sec_fillings/180213_registration_ireland_1.pdf.

These websites do not form part of this Prospectus or the terms and conditions of the Securities.

Investors who have not previously reviewed the information contained in the Base Prospectus should do so in connection with their evaluation of the Securities.

Terms defined in the General Conditions or the Asset Terms have the same meaning herein unless otherwise defined in the Specific Terms.

In the event of any inconsistency between the Specific Terms and the General Conditions or the Asset Terms, the Specific Terms will prevail.

MARKET MAKING ARRANGEMENTS

The Issuer and/or the Dealer may, but shall not be required to, make a market for the Securities. Any bid or offer price for the Securities shall be determined by the Issuer and/or the Dealer (as the case may be) in its sole and absolute discretion. There can be no assurance as to the development or liquidity of any trading market for the Securities. Any secondary market price quoted by the Issuer and/or the Dealer may be affected by several factors including, without limitation, prevailing market conditions, credit spreads, unwind costs and the time to maturity.

SPECIFIC TERMS

The Securities will be subject to the General Terms and Conditions of Notes (the "**General Conditions**") set out in the Base Prospectus, as supplemented and modified by the Asset Terms for Credit-linked Securities (the "**Asset Terms**") set out hereto and also to the following provisions (the "**Specific Terms**"). Each reference in such General Conditions and Asset Terms to the "Final Terms" shall be deemed to be deleted and replaced by the "Specific Terms". In the case of a discrepancy or conflict with such General Conditions or Asset Terms, the Specific Terms shall prevail.

1	Issuer	Credit Suisse AG
	Branch	London Branch
2	Series Number:	SPLB2013-079
3	Tranche Number:	One
4	Applicable General Terms and Conditions:	Notes
5	Specified Currency or Currencies:	EUR
6	Aggregate Nominal Amount:	
	(i) Series:	EUR 10,000,000
	(ii) Tranche:	EUR 10,000,000
7	Issue Price:	89.5 per cent. of the Aggregate Nominal Amount
8	Specified Denominations:	EUR 10,000
9	Issue Date/Payment Date:	19 March 2013
10	Maturity Date:	20 June 2018 (the " Scheduled Maturity Date "), subject to adjustment in accordance with the Business Day Convention, provided that the maturity of the Securities shall be subject to deferral in accordance with the Asset Terms for Credit-linked Securities
11	Interest Basis:	Floating Rate
12	Premium Basis:	Not applicable
13	Redemption/Payment Basis:	Credit-linked
	Principal Protection:	Not applicable
14	Put/Call Options:	Not applicable

PROVISIONS RELATING TO INTEREST AND PREMIUM

15	Fixed Rate Provisions	Not applicable
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16	Floating Rate Provisions	Applicable, provided that the Interest Amount payable in respect of each Security on each Interest Payment Date shall be calculated in accordance with Schedule 2 hereto.
(i)	Interest Commencement Date:	Issue Date
(ii)	Interest Payment Dates:	20 March, 20 June, 20 September and 20 December in each year, from and including 20 June 2013, subject to adjustment in accordance with the Business Day Convention
(iii)	Business Day Convention:	Following
(iv)	Business Centre(s):	London and TARGET
(v)	ISDA Determination:	
	– Floating Rate Option:	EUR-EURIBOR-Reuters
	– Designated Maturity:	3 months
	– Reset Date:	The first day of each Interest Period
	– ISDA Definitions: (if different from those set out in the Conditions)	As per the Conditions
(vi)	Margin(s):	+ 3 per cent. per annum
(vii)	Minimum Rate of Interest:	Not applicable
(viii)	Maximum Rate of Interest:	Not applicable
(ix)	Day Count Fraction:	Actual/360 (adjusted)
(x)	Determination Date(s):	Not applicable
(xi)	Rate Multiplier:	Not applicable
(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions:	As specified in Schedule 2 hereto

17	Premium Provisions:	Not applicable
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PROVISIONS RELATING TO REDEMPTION

18	Redemption Amount:	The Redemption Amount of each Security will be the amount determined in accordance with the Conditions
19	Settlement Currency: <i>(Currency in which payments will be made)</i>	The Specified Currency
20	Adjustments Convention	Not applicable
21	Details relating to Instalment Securities	Not applicable
22	Call Option:	Not applicable
23	Put Option:	Not applicable
24	Underlying Assets	Not applicable
25	Equity-linked Securities	Not applicable
26	Equity Index-linked Securities	Not applicable
27	Commodity-linked Securities	Not applicable
28	Commodity Index-linked Securities	Not applicable
29	Fund-linked Securities	Not applicable
30	FX-linked Securities	Not applicable
31	FX Index-linked Securities	Not applicable
32	Inflation Index-linked Securities	Not applicable
33	Interest Rate Index -linked Securities	Not applicable
34	Cash Index-linked Securities	Not applicable
35	Adjustments Convention:	Not applicable
36	Credit-linked Securities	Applicable
	(i) Type:	Index Credit-linked Securities
		The terms of the Reference CDS are set out in Schedule 1 hereto.
	(ii) Trade Date:	27 February 2013
	(iii) Reference Entity(ies):	Each Reference Entity given in the Relevant Annex for which the Reference Entity Weighting is greater than zero

as at the Trade Date, provided that if a Succession Event occurs and a Successor or Successors are determined, each Successor shall be a Reference Entity.

Where:

"Index Publisher" means Mark-it Partners Ltd. or any replacement therefor appointed by the Index Sponsor for the purposes of officially publishing the Reference Index;

"Index Sponsor" means International Index Company Ltd., or any successor thereto;

"Reference Entity Weighting" means the percentage set out opposite the Reference Entity in the Relevant Annex and as amended from time to time;

"Reference Index" means iTraxx® Europe Series 9 Version 1; and

"Relevant Annex" has the meaning given in the Reference CDS.

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| (iv) | Reference Entity Notional Amount(s) | <p>The definition of "Reference Entity Notional Amount" in Asset Term 7 shall be deleted and replaced with the following:</p> <p>"Reference Entity Notional Amount" has the meaning given in the Reference CDS."</p> |
| (v) | Reference Obligation(s): | Not applicable |
| (vi) | Transaction Type | Not applicable. As specified in the Reference CDS |
| (vii) | Settlement Deferral: | Not applicable |
| (viii) | Additional provisions relating to Credit-linked Securities, including any amendment or variation to the Reference CDS or Asset Terms for Credit-linked Securities | <p>(a) The definition of "Credit Event Writedown Amount" in Asset Term 7 shall be deleted and replaced with the following:</p> <p>"Credit Event Writedown Amount" means, in respect of a Security and with respect to a Loss Determination Date, an amount equal to the Incurred Loss Amount (as defined in the Standard Terms Supplement incorporated into the Reference CDS) relating to such Loss Determination Date multiplied by the Relevant Proportion."</p> <p>(b) "Loss Determination Date" means, in respect of a relevant Reference Entity, the date falling one Business Day after the Auction Final Price Determination Date or, as the case may be, after the date on which the Final Price is determined.</p> <p>(c) Asset Term 2.1(a) shall be amended by deleting and replacing the reference to "the related Credit Event Settlement Date" with "the related Loss Determination Date".</p> <p>(d) Asset Term 2.2 shall be deleted and replaced with the</p> |

following:

"From and including each Loss Determination Date, the Outstanding Nominal Amount of each Security will be reduced by an amount equal to the applicable Credit Event Writedown Amount for such Security. In addition, if the final Interest Payment Date is a Carryforward Interest Payment Date, the Outstanding Nominal Amount of each Security will be reduced by a pro rata amount of the Carryforward Deduction Amount in respect of such Carryforward Interest Payment Date. If the Outstanding Nominal Amount of a Security is reduced to zero on a Loss Determination Date then, upon the performance by the Issuer of its obligations under these Asset Terms with respect to such Loss Determination Date and all prior occurring Loss Determination Dates, the Issuer will be discharged from its obligations and liabilities to the Securityholder in respect of such Security, and such Security will forthwith be cancelled by the Paying Agent."

(e) Asset Term 2.6 shall be deleted.

(f) Asset Term 3.1 shall be amended by deleting and replacing the words "to the extent of the maximum possible Credit Event Writedown Amount" with the following:

"to the extent of the maximum possible Credit Event Writedown Amount and maximum possible Aggregate Deduction Amount".

(g) **Index Disclaimer:** The Markit iTraxx® Europe index (for the purposes of this paragraph, the "Index") is a registered trade mark of International Index Company, Markit Group and has been licensed for the use by Credit Suisse AG. International Index Company does not approve, endorse or recommend Credit Suisse AG, this trade idea, or this product (together the "Product"). The Product is derived from a source considered reliable, but International Index Company Limited and its employees, suppliers, subcontractors and agents (together International Index Company Associates) do not guarantee the veracity, completeness or accuracy of the Product or other information furnished in connection with the Product. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or assumed by International Index Company Limited or any of the International Index Company Associates in respect of the Product or any data included in it or the use by any person or entity of the Product or that data and all those representations, warranties and conditions are excluded save to the extent that such exclusion is prohibited by law. International Index Company Limited and the International Index Company Associates shall have no liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of International Index Company Limited or any of the International Index Company Associates or otherwise, arising in connection with the use of the

Product.

GENERAL PROVISIONS

37	(i) Form of Securities:	Bearer Securities
	(ii) Global Security:	Permanent Global Security
38	Financial Centre(s):	London
	Business Centre:	London and TARGET
39	Minimum Transferable Number of Securities:	Not applicable
40	Listing and Admission to Trading:	
	(i) Stock Exchange(s) to which application will initially be made to list the Securities: (Application may subsequently be made to other stock exchange(s))	Irish Stock Exchange
	(ii) Admission to trading:	Application has been or will be made for the Securities to be admitted to trading on the Regulated Market of the Irish Stock Exchange to take effect on the Issue Date or as soon thereafter as practicable. However, no assurance can be given that the Securities will be admitted to trading on such market on the Issue Date or any date thereafter
41	Entities (other than stock exchanges) to which application for listing and/or approval of the Securities will be made:	Not applicable
42	Security Codes and Ticker Symbols:	
	ISIN Code:	XS0899309529
	Common Code:	089930952
	Swiss Security Number:	20819755
	Telekurs Ticker:	Not applicable
	WKN number:	A1HGWY

43	Clearing and Trading:	
	Clearing System(s) and any relevant identification number(s):	Euroclear Bank S.A./N.V. and Clearstream Banking, SA, Luxembourg
	Delivery of Securities:	Delivery against payment
	Minimum Trading Lot:	EUR 10,000 (1 Security)
44	Agents:	
	Calculation Agent:	Credit Suisse International One Cabot Square London E14 4QJ
	Fiscal Agent/Principal Certificate Agent:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL
	Paying Agents:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL
	Additional Agents:	Not applicable
45	Co-Structurer:	Not applicable
46	Dealer(s):	Credit Suisse International
47	Additional steps that may only be taken following approval by Extraordinary Resolution:	Not applicable
48	Specified newspaper for the purposes of notices to Securityholders:	Not applicable
49	Additional Provisions	
		TEFRA does not apply as Notes cannot be issued in definitive bearer form

Signed on behalf of the Issuer, acting through the Relevant Branch:

By: _____

Duly authorised

By: _____

Duly authorised

SCHEDULE 1 TO SPECIFIC TERMS – REFERENCE CDS CONFIRMATION

The following set forth the terms and conditions of a reference credit derivative transaction which is deemed to have been entered into on the Trade Date specified below in connection with the EUR 10,000,000 Credit Linked Notes linked to iTraxx® Europe Series 9 Version 1 (6 to 9%), due 2018 (the "**Securities**") issued by Credit Suisse AG, acting through its London Branch (the "**Issuer**").

This confirmation evidences the Reference CDS (the "**Reference CDS Confirmation**") for the purposes of such Securities, and is deemed to have been entered into between the Issuer as "Buyer" and a notional seller as "Seller".

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009), each as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") (together, the "**Credit Derivatives Definitions**") and the iTraxx® Europe Tranch Transactions Standard Terms Supplement, as published by International Index Company Ltd. on November 23, 2009 (the "**Standard Terms Supplement**") are incorporated into this Reference CDS Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions, the Standard Terms Supplement and the Asset Terms (as defined in the Specific Terms for the Securities) and this Reference CDS Confirmation, this Reference CDS Confirmation will govern (except for Asset Terms 1.5 and 1.6).

The terms of the Transaction to which this Reference CDS Confirmation relates are as follows:

1. **General Terms**

Trade Date:	27 February 2013
Effective Date:	Issue Date (as defined in the Specific Terms)
Scheduled Termination Date:	Scheduled Maturity Date (as defined in the Specific Terms)
Floating Rate Payer:	Seller
Fixed Rate Payer:	Buyer
Calculation Agent:	Credit Suisse International
Original Notional Amount:	EUR 10,000,000
Attachment Point:	6.00 per cent.
Exhaustion Point:	9.00 per cent.
Index:	iTraxx® Europe Series 9 Version 1
Source of Relevant Annex:	Publisher
Annex Date:	17 March 2008

Source of Relevant Settled Entity Publisher
Matrix:

2. **Fixed Payments**

Initial Fixed Rate Payer Payment Date: Not Applicable

Fixed Rate: Not Applicable

Fixed Amount: Not Applicable

SCHEDULE 2 TO SPECIFIC TERMS – INTEREST AMOUNT

1. INTEREST AMOUNTS IN RESPECT OF EACH INTEREST PERIOD

- (a) Notwithstanding the provisions of General Condition 4(c), on each Interest Payment Date, the Interest Amount payable in respect of each Security shall be an amount, as determined by the Calculation Agent, equal to the Relevant Proportion multiplied by the greater of:
- (i) zero; and
 - (ii) (A) the Notional Interest Amount in respect of the Interest Period ending on such Interest Payment Date; minus
(B) the Aggregate Deduction Amount in respect of such Interest Payment Date.
- (b) For the avoidance of doubt, notwithstanding anything to the contrary in the General Conditions, the Asset Terms and these Specific Terms, the obligation of the Issuer to pay, and the rights and entitlement of the Securityholders to receive, interest in respect of the Securities on any Interest Payment Date shall be limited to the Interest Amount determined in accordance with paragraph 1(a) above.

2. DEFINITIONS

For the purposes of this Schedule 2 of these Specific Terms:

"Additional Interest Accrual Period" means the period from (and including) the Business Day following the Trade Date to (but excluding) the Issue Date.

"Additional Interest Amount" means, in respect of the Additional Interest Accrual Period, an amount equal to the product of:

- (a) the aggregate Outstanding Nominal Amount on the Issue Date;
- (b) the Margin specified in these Specific Terms; and
- (c) the Day Count Fraction specified in these Specific Terms.

"Aggregate Deduction Amount" means, as of the first Interest Payment Date, an amount equal to zero and, in respect of each subsequent Interest Payment Date, an amount equal to:

- (a) the Outstanding Deduction Amount on the immediately preceding Interest Payment Date (the **"Preceding Outstanding Deduction Amount"**); plus
- (b) an amount equal to the interest which has accrued on the Preceding Outstanding Deduction Amount on a daily basis in the Interest Period ending on the relevant Interest Payment Date at the overnight swap rate in EUR as determined by the Calculation Agent in its sole and absolute discretion (or if such rate is not available for the relevant day, the rate as determined by the Calculation Agent in its sole and absolute discretion), each as determined by the Calculation Agent in its sole and absolute discretion; plus
- (c) the sum of the Overpaid Interest Amounts calculated for each Overpaid Defaulted Reference Entity in respect of which a Loss Determination Date has occurred during the Interest Period ending on such Interest Payment Date.

"Carryforward Deduction Amount" means, in respect of each Carryforward Interest Payment Date, an amount equal to:

- (a) the Aggregate Deduction Amount determined in respect of such Interest Payment Date; minus

- (b) the Notional Interest Amount determined in respect of the Interest Period ending on such Interest Payment Date.

"Carryforward Interest Payment Date" means each Interest Payment Date on which the Aggregate Deduction Amount determined in respect of such Interest Payment Date exceeds the Notional Interest Amount determined in respect of the Interest Period ending on such Interest Payment Date.

"Notional Interest Amount" means, in respect of each Interest Period, an amount equal to the product of:

- (a) the aggregate Outstanding Nominal Amount as of the last day of the relevant Interest Period (and taking into account any reductions in the Aggregate Notional Amount which are required to be made on such day in accordance with Asset Term 2.2);
- (b) the Rate of Interest determined by the Calculation Agent in respect of the relevant Interest Period and in accordance with General Condition 4(c)(iii); and
- (c) the Day Count Fraction specified in these Specific Terms,

provided that the Notional Interest Amount in respect of the Interest Period ending on the first Interest Payment Date shall be an amount equal to the sum of (i) the amount calculated in accordance with the preceding formula and (ii) the Additional Interest Amount.

"Outstanding Deduction Amount" means:

- (a) in respect of each Interest Payment Date other than a Carryforward Interest Payment Date, an amount equal to zero;
- (b) in respect of a Carryforward Interest Payment Date, an amount equal to the Carryforward Deduction Amount determined on the relevant Carryforward Interest Payment Date.

"Overpaid Defaulted Reference Entity" means a Reference Entity in respect of which (a) each of an Event Determination Date and a Loss Determination Date has occurred and (b) the Loss Determination Date falls in a later Interest Period than the Event Determination Date.

"Overpaid Interest Amount" means, in respect of each Overpaid Defaulted Reference Entity, an amount to be calculated on the relevant Loss Determination Date equal to the sum for each Overpaid Interest Calculation Period of an amount equal to the product of:

- (a) the Overpaid Interest Calculation Amount in respect of the relevant Overpaid Defaulted Reference Entity;
- (b) the relevant Overpaid Interest Rate; and
- (c) the Day Count Fraction specified in these Specific Terms in respect of each relevant Overpaid Interest Calculation Period.

"Overpaid Interest Calculation Amount" means, in respect of each Overpaid Defaulted Reference Entity and a Loss Determination Date, an amount equal to the Incurred Loss Amount (as defined in the Reference CDS) in respect of the relevant Overpaid Defaulted Reference Entity.

"Overpaid Interest Calculation Period" means, in respect of each Overpaid Defaulted Reference Entity, each of the following periods:

- (a) the period from (and including) the Event Determination Date to (but excluding) the next Interest Payment Date; and

- (b) if applicable and without double-counting, each full Interest Period falling in the period from (and including) the Event Determination Date to (but excluding) the earlier to occur of (i) the Scheduled Maturity Date and (ii) the Interest Payment Date immediately preceding the Loss Determination Date.

"Overpaid Interest Rate" means, in respect of any Overpaid Interest Calculation Period, the Rate of Interest which is applicable to the Securities in the Interest Period in which the first day of the relevant Overpaid Interest Calculation Period falls.

INFORMATION RELATING TO THE UNDERLYING ASSET

The Index Sponsor of the iTraxx® Europe Series 9 Version 1 is International Index Company Ltd., or any successor thereto. The Index Publisher is Mark-it Partners Ltd. or any replacement therefor appointed by the Index Sponsor for the purposes of officially publishing the Reference Index.

Information on the iTraxx® Europe Series 9 Version 1 and the names comprising the Reference Index is available at www.markit.com and http://www.markit.com/assets/en/docs/products/data/indices/credit-index-annexes/itraxx_europe_series_9.pdf (but the information appearing on such websites does not form part of this Prospectus or the terms and conditions of the Securities).

Information on the names comprising the Reference Index in respect of which any past and future Credit Event and Event Determination Date have occurred from time to time and which are Settled Entities can be found in the Relevant Settled Entity Matrix set out in the settled entity matrix section, which is available at <http://www.markit.com/en/products/data/indices/credit-and-loan-indices/index-annexes/settled-entity-matrix.page?> (but the information appearing on such website does not form part of this Prospectus or the terms and conditions of the Securities).

GENERAL INFORMATION

1. The issue of the Securities is made in accordance with the Organisational Guideline and Regulation of Credit Suisse AG dated 8 December 2010. No specific resolution of the Board of Directors of the Issuer was required.
2. Copies of the Agency Agreement will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agent. In addition copies of the following will be available free of charge at the principal office of the Paying Agent and at the registered office of the Issuer, during usual business hours on any weekday (Saturdays and public holidays excepted):
 - (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) the audited accounts of the Issuer for the last two years;
 - (iii) the Registration Document;
 - (iv) the Summary and Securities Note;
 - (v) the Base Prospectus; and
 - (vi) the Agency Agreement and any supplement thereto.
3. The appointed Irish listing agent in respect of the Securities is A&L Listing Limited.
4. Information on the iTraxx® Europe Series 9 Version 1 is available at www.markit.com. This website does not form part of the terms and conditions of the Securities.
5. Terms and Conditions of the Offer (Pricing): There are no relevant expenses and taxes that have been specifically charged to the subscriber or purchaser. For the avoidance of doubt, this is without prejudice to General Condition 11 (Taxation).
6. For the purpose of this Securities Note, the Registration Document is updated by deleting and replacing the reference to "since 30 June 2012" in the second paragraph of paragraph 4 (Change) at page 9 of the "General Information" section with the following:

"since 31 December 2012".

ASSET TERMS FOR CREDIT-LINKED SECURITIES

The following asset terms (the "**Asset Terms**") shall, subject to the relevant General Conditions of Notes and the provisions of the relevant Final Terms, apply to Securities if stated in the Final Terms to be "**Credit-linked Securities**".

1. REFERENCE CDS

- 1.1 For the purposes of making calculations under the Securities only (and for no other purpose), the Issuer is assumed to have entered into a hypothetical credit default swap transaction (the "Reference CDS") as a buyer of credit risk protection on the Trade Date specified in the Final Terms with a market counterparty of the highest creditworthiness.
- 1.2 The Reference CDS is assumed to have been entered into on the basis of the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. (together with any successors, "ISDA"), as supplemented by the July 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement thereto (as so supplemented, the "2003 Definitions") and as further supplemented or amended or amended as may be set out in the Final Terms. The Reference CDS is assumed to be subject to English law.
- 1.3 Where the Final Terms specify a "Transaction Type" in relation to a Reference Entity, the 2005 Matrix Supplement to the 2003 Definitions shall apply and relevant terms of the Reference CDS shall, except to the extent otherwise specified in the Final Terms, be determined by reference to a Credit Derivatives Physical Settlement Matrix published by ISDA. Where the Securities are Nth to Default Credit-linked Securities, the Nth to Default Standard Terms Supplement (as published by ISDA on September 22, 2011) (the "Nth to Default Standard Terms Supplement") shall apply (and "N" shall be the number specified as such in the Final Terms).
- 1.4 Any remaining terms of the Reference CDS shall be as set out in the Final Terms.
- 1.5 The terms of a Reference CDS shall be assumed to have been amended in accordance with any protocol published by ISDA which amends the terms of credit default swap transactions of the same type as the Reference CDS generally, provided that the Issuer and its affiliates have adhered to such protocol in respect of credit derivatives transactions to which they are a party generally. The Calculation Agent shall notify the Securityholders in accordance with Condition 13 of any such modifications, as soon as reasonably practicable upon becoming aware thereof.
- 1.6 Where the terms of the Reference CDS require or entitle the buyer of credit protection or the calculation agent thereunder to make a determination or calculation or election or exercise a discretion, such determination, calculation, election or discretion shall be made or exercised by the Calculation Agent. For such purpose, where the Calculation Agent is making a determination or calculation or election or exercising a discretion under the Reference CDS:
 - (a) on behalf of buyer of credit protection thereunder, it shall do so acting in the interests of such buyer (and hence of the Issuer) and shall not be required to have any regard to the interests of the hypothetical seller of credit protection or of the Securityholders; and

- (b) on behalf of the calculation agent thereunder, it shall do so in good faith and in a commercially reasonable manner.

The Calculation Agent shall not be entitled to and shall not exercise any right which would be a right of the protection seller under the Reference CDS.

2. REDEMPTION

2.1 Redemption on Scheduled Maturity Date or Extended Maturity Date

- (a) Unless previously redeemed, or purchased by the Issuer and cancelled, subject to deferral of the maturity of such Security in whole or part in accordance with Asset Term 3 (*Maturity Date Deferral*) below and subject to paragraph (b) below, each Security shall be redeemed on the Scheduled Maturity Date by the Issuer at its Outstanding Nominal Amount less a pro rata proportion of the Reference Entity Notional Amount (or, if applicable, the relevant Exercise Amount) of any Reference Entity for which an Event Determination Date has occurred under the Reference CDS but the related Credit Event Settlement Date has not yet occurred.
- (b) Notwithstanding the above and the occurrence of one or more Event Determination Dates under the Reference CDS, if the Final Terms specify that "Principal Protection" applies to the Securities, each Security shall be redeemed on the Scheduled Maturity Date by the Issuer at:
 - (i) 100 per cent of its Specified Denomination if the Securities are "Fully Principal Protected" (as specified in the Final Terms); or
 - (i) a specified portion of its Specified Denomination, if the Securities are "Partially Principal Protected" (as specified in the Final Terms).

2.2 Reduction in Outstanding Nominal Amount, Payment of Credit Event Settlement Amount following the occurrence of an Event Determination Date

On each Event Determination Date, the Outstanding Nominal Amount of each Security will be reduced by an amount equal to the applicable Credit Event Writedown Amount for such Security. If the Outstanding Nominal Amount of a Security is reduced to zero on an Event Determination Date then, upon the performance by the Issuer of its obligations under these Asset Terms with respect to such Event Determination Date and all prior occurring Event Determination Dates, the Issuer will be discharged from its obligations and liabilities to the Securityholder in respect of such Security, and such Security will forthwith be cancelled by the Paying Agent.

On each Credit Event Settlement Date, unless such payment is deferred in accordance with Asset Term 2.3 (*Settlement Deferral*) or suspended in accordance with Asset Term 2.4 (*Settlement Suspension*) below, the Issuer shall pay to each Securityholder the relevant Credit Event Settlement Amount (as defined below) related to each Security.

If the Securities are Nth to Default Credit-linked Securities, this Asset Term 2.2 shall apply solely to the Nth to Default Reference Entity (as defined below).

2.3 Settlement Deferral

If "**Settlement Deferral**" is specified as applicable in the Final Terms then, notwithstanding the occurrence of an Event Determination Date on or prior to the Deferred Settlement Date,

payment of the Credit Event Settlement Amount and any other amount otherwise payable on the Credit Event Settlement Date will be deferred to the Deferred Settlement Date specified in the applicable Final Terms. For clarification, the amounts which are payable under the Securities will continue to be determined by reference to the settlement provisions of the Reference CDS, and at the times and in the manner provided for therein and in these Asset Terms and the Outstanding Nominal Amount of each Security shall continue to be reduced by the applicable Credit Event Writedown Amount with effect from and including the Event Determination Date.

In such case, on the Deferred Settlement Date, in addition to any other amounts payable hereunder, the Issuer shall pay in respect of each Security an amount representing interest on the Credit Event Settlement Amount from and including the Credit Event Settlement Date, which would have applied but for this Asset Term 2.3, to but excluding the Deferred Settlement Date at the relevant overnight rate for deposits in the Specified Currency.

For the avoidance of doubt, no additional payments shall be made, or compensation otherwise provided, in respect of any Security in respect of which the provisions of this Asset Term 2.3 apply.

2.4 **Settlement Suspension**

If the Calculation Agent determines that, under the terms of the Reference CDS, the obligations of the parties would be suspended pending a resolution of a CDDC, then, subject to Asset Term 3 (*Maturity Date Deferral*), all of the obligations of the Issuer under each Security (including any obligation to deliver any notices, pay any interest, principal or settlement amount or to make any delivery) shall, be and remain suspended until ISDA publicly announces that the relevant CDDC has resolved the matter in question or not to determine such matters. No interest shall accrue on any payments which are suspended in accordance with the above. The Calculation Agent shall notify the Securityholders (in accordance with Condition 13) as soon as reasonably practicable upon becoming aware of any such suspension.

2.5 **Credit Event Notice after Restructuring Credit Event**

If, following the occurrence of a "Restructuring" Credit Event under the terms of the Reference CDS, the Calculation Agent exercises the right of the protection buyer under the Reference CDS to trigger settlement of the Reference CDS in relation to an amount (the "**Exercise Amount**") that is less than the then Reference Entity Notional Amount of such Reference Entity under such Reference CDS, then, the provisions of this Asset Term 2 shall, with respect to such Event Determination Date, be deemed to apply to the Exercise Amount only, the Reference Entity Notional Amount in respect of such Reference Entity shall be deemed to be reduced by the applicable Exercise Amount and one or more further Event Determination Dates (and related settlements under the provisions of this Asset Term 2) may occur with respect to the applicable Reference Entity.

In the case of Nth to Default Credit-linked Securities, once a "Restructuring" Credit Event has occurred in respect of a Reference Entity, no Event Determination Date may occur in respect of any Reference Entity other than the Reference Entity that was the subject of the first occurring Credit Event.

2.6 **Accrual of interest**

Notwithstanding the General Conditions, with respect to each Event Determination Date, interest shall cease to accrue on the amount by which the Outstanding Nominal Amount of a Security is reduced pursuant to Asset Term 2.2 (*Reduction in Outstanding Nominal Amount, Payment of Credit Event Settlement Amount following the occurrence of an Event Determination Date*) as a consequence of such Event Determination Date from and including the first day of the Interest Period during which such Event Determination Date occurred.

3. MATURITY DATE DEFERRAL

- 3.1 If, as at the Scheduled Maturity Date, the conditions to settlement specified under the terms of the Reference CDS could be satisfied subsequent to the Scheduled Maturity Date in respect of any Reference Entity (including where the stipulated conditions to settlement of the Reference CDS may be satisfied after such date in relation to a Credit Event which has occurred on or prior to such date), redemption of the Securities will be deferred, to the extent of the maximum possible Credit Event Writedown Amount which could be determined as a result, to the date (the "Extended Maturity Date") selected by Calculation Agent and falling not later than the five Business Days after the date on which it is no longer possible that the conditions to settlement could so satisfied in relation to any Reference Entity (or any earlier date selected by the Calculation Agent for such purpose).
- 3.2 The Calculation Agent, acting on behalf of the Issuer, will, within ten Business Days of becoming aware of any deferral of maturity as set out above, use reasonable endeavours to give notice to the Securityholders of such deferral, briefly describing the facts or events which have given rise to such deferral. The calculation Agent may give multiple such notices.
- 3.3 Without prejudice to the provisions of Asset Term 2 (*Redemption*), no payment shall be made in respect of any Outstanding Nominal Amount of any Security payment of which is deferred as set out above during the period from and including the Scheduled Maturity Date up to but excluding the Extended Maturity Date.
- 3.4 If, following any deferral of the maturity of any Security in whole or part as set out above, the Securities are redeemed in accordance with Asset Term 2.1 (*Redemption on Scheduled Maturity Date or Extended Maturity Date*), the Issuer shall pay to the Securityholders on the date of such redemption an additional amount representing interest on the amount paid in accordance with Asset Term 2.1 (*Redemption on Scheduled Maturity Date or Extended Maturity Date*) from and including the Scheduled Maturity Date to but excluding the Extended Maturity Date at the relevant overnight rate for deposits in the Specified Currency. Save as set out above no further interest shall be payable on the Securities in respect of any period commencing on or after the Scheduled Maturity Date. For clarification, if and to the extent that Asset Term 2.2 (*Reduction in Outstanding Nominal Amount, Payment of Credit Event Settlement Amount following the occurrence of an Event Determination Date*) applies, no such additional amount shall be payable.

4. SUCCESSORS

- 4.1 Where ISDA publicly announces that a relevant CDDC has resolved that any one or more entities has been identified as a successor to a Reference Entity, and such resolution would be applicable to the Reference CDS, such successor entity or entities shall thereupon be the successor(s) to the relevant Reference Entity for the purposes of the Securities. Where there is more than one such successor to any Reference Entity, and, accordingly, the Reference CDS would be divided into a corresponding number of "New Credit Derivative Transactions", each referencing one of such successors, the Securities shall be deemed to be split into a

number of classes (each, a "Class") equal to the number of such successors and each such New Credit Derivative Transaction shall become the Reference CDS with respect to one such Class.

4.2 Where multiple Classes of the Securities exist as a result of this Asset Term 4, then the provisions of Asset Terms 2(*Redemption*) and 3 (*Maturity Date Deferral*) shall apply only in respect of the relevant Class(es) of Securities for which the Applicable Entity is a Reference Entity and, accordingly, all references to "the Securities" in Asset Terms 2.3 (*Settlement Deferral*) shall be read and construed as references to "the relevant Class(es) of Securities for which the Applicable Entity is a Reference Entity".

4.3 If two or more Reference Entities are subject to one or more Succession Events simultaneously or the order of such Succession Events cannot be determined from Best Available Information, then each such Reference Entity shall be deemed to have been subject to a separate Succession Event, with all such Succession Events occurring in the order determined by the Calculation Agent.

5. **ADJUSTMENTS TO EVENT DETERMINATION DATE AND RELATED PAYMENTS**

If, following the determination by a CDDC that an Event Determination Date has occurred, ISDA publicly announces that the relevant CDDC has resolved that such Event Determination Date occurred on a date that is different from the date first determined or that no Event Determination Date occurred, or such Event Determination Date is determined to have occurred prior to the immediately preceding Interest Payment Date, the Calculation Agent will determine, acting in a commercially reasonable manner, any additional amount payable to the Securityholder(s) to reflect any scheduled payment that was due but not paid in respect of the Securities or any reduction in any subsequent amount that would otherwise subsequently be payable to the Securityholders to reflect any payment that was paid but was not due in respect of the Securities. No accruals of interest shall be taken into account when calculating any such adjustment payment.

In the case of Securities represented by a Global Security or a Global Certificate, if an amount would be payable to a Securityholder as set out above, but such amount is not determined until after the date on which the Securities are redeemed in full, the Issuer shall make such payment to the persons who are shown in the records of the Clearing Systems as being the Accountholder at, failing which immediately prior to, the time of redemption subject to receipt from such persons of such evidence and indemnities as the Issuer may require.

6. **CALCULATION AGENT AND CDDC**

6.1 Subject to the express provisions of the Asset Terms, if any provision of this document permits a determination or calculation to be made by the Calculation Agent, acting in any capacity, during a particular period of time, it may make it at any time during that period and no failure or delay to make it at a particular time within such period shall be deemed to be a waiver of its ability to make it later in that period or in any subsequent period during which it may make it.

6.2 In acting under the Agency Agreement in respect of the Securities, the Calculation Agent is acting solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Securityholder, and any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the Securityholders.

- 6.3 Resolutions of the Credit Derivatives Determinations Committees ("CDDCs" and each a "CDDC") established by ISDA will be binding on the Issuer and the Securityholders if and to the extent that such resolutions would be binding on the parties to the Reference CDS. Neither the Issuer nor the Calculation Agent will have any liability to the Securityholders or any other person as a result of relying on any resolution of a CDDC.

7. DEFINITIONS

"2003 Definitions" has the meaning given in Asset Term 1.2;

"Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly the person or any entity under direct or indirect common control with the person. As used herein "control" means the ownership of a majority of the voting power of the entity or, as the case may be, the person and "controlled by" and "controls" shall be construed accordingly;

"Aggregate Nominal Amount" means, at any time, an amount equal to the aggregate of the Outstanding Nominal Amounts of all Securities at that time;

"Auction" means a credit derivatives auction sponsored by ISDA relating to the Reference Entity and Credit Event in question or, if multiple auctions are conducted in relation to such Reference Entity and Credit Event, the auction which would be relevant for purposes of settlement of the Reference CDS (including as a result of an election of the Calculation Agent where the buyer of credit protection under the Reference CDS would be entitled to make such election following a Restructuring Credit Event thereunder).

"Auction Final Price" means the price, expressed as a percentage, determined pursuant to the Auction and published by ISDA.

"Auction Settlement Amount" means the greater of (i) the Reference Entity Notional Amount of the relevant Reference Entity which is the subject of such Event Determination Date (or, if applicable, the relevant Exercise Amount) multiplied by the Auction Final Price and (ii) zero.

"Basket Credit-linked Security" means a Security specified as such in the Final Terms;

"Cash Settlement Amount" means the greater of (i) the Reference Entity Notional Amount of the relevant Reference Entity which is the subject of such Event Determination Date (or, if applicable, the relevant Exercise Amount) multiplied by the Final Price and (ii) zero;

"CDDC" has the meaning given in Asset Term 1.5;

"Class" has the meaning set out in Asset Term 4 (*Successors*);

"Credit Event" means any of the events specified as such in the Final Terms (including by cross-reference to a matrix published by ISDA);

"Credit Event Settlement Amount" means, in respect of a Security and with respect to an Event Determination Date, an amount equal to the product of the Auction Settlement Amount or, as applicable, Cash Settlement Amount, and the Relevant Proportion as of the Event Determination Date;

"Credit Event Settlement Date" means, in respect of a Security and with respect to an Event Determination Date, the date falling five Business Days after the date which would be the settlement date under the Reference CDS or, where the Credit Event Redemption Amount is

determined by reference to a Final Price, a date selected by the Calculation Agent and falling five Business Days after the date on which the Calculation Agent determines that the settlement in full of the Reference CDS would have occurred (whether by physical delivery of assets or by partial cash settlement) or, if there is no such date, on which the Reference CDS would have terminated in the absence of such settlement;

"Credit Event Writedown Amount" means, in respect of a Security and with respect to an Event Determination Date, an amount equal to the lesser of

- (a) the Outstanding Nominal Amount of such Security; and
- (b) the Reference Entity Notional Amount of the relevant Reference Entity which is the subject of such Event Determination Date (or, if applicable, the relevant Exercise Amount) multiplied by the Relevant Proportion as of the Event Determination Date,

in each case determined immediately prior to such Event Determination Date;

"Event Determination Date" means that either:

- (a) following a public announcement by ISDA to the effect that a CDDC has resolved that a Credit Event has occurred in relation to a Reference Entity, and, if so required for the purposes of the Reference CDS, following the delivery by the Calculation Agent of a notice which would constitute a "Credit Event Notice" (as defined in the 2003 Definitions) for the purposes of the Reference CDS, the date which would be determined as such for the purposes of the Reference CDS in accordance with its terms; or
- (b) in the absence of any announcement as referred to above, the Calculation Agent delivers a notice which would constitute a "Credit Event Notice" and "Notice of Publicly Available Information" (each as defined in the 2003 Definitions) for the purposes of the Reference CDS;

"Extended Maturity Date" has the meaning given to it in Asset Term 3 (*Maturity Date Deferral*);

"Final Price" means the price, expressed as a percentage, determined by the Calculation Agent as follows:

- (a) On any Business Day selected by the Calculation Agent during the period stipulated for settlement of the Reference CDS (the selected date, the **"Valuation Date"**), and, if necessary, on one or more of the succeeding five Business Days, at or about a time selected by the Calculation Agent as being the time at which the relevant market is likely to be most liquid (the selected time, the **"Valuation Time"**), the Calculation Agent shall attempt to obtain quotations in respect of any combination of the obligations of the Reference Entity, which may be direct loans, bonds or other obligations issued directly by the Reference Entity or obligations in respect of which the Reference Entity acts a guarantor, which the Calculation Agent determines would be eligible for delivery in settlement of the Reference CDS (each selected obligation, a **"Valuation Obligation"**) from five or more third party dealers in obligations such as the selected Valuation Obligations, as selected by the Calculation Agent.
- (b) The Calculation Agent shall seek bid quotations for Valuation Obligations having an aggregate outstanding principal amount which is in aggregate at least equal to the

relevant Reference Entity Notional Amount (or, as applicable, the portion of such amount in respect of which settlement is triggered).

- (c) If at least two firm bid quotations for the entire selected amount of a Valuation Obligation are available on the same Business Day, the Final Price of that Valuation Obligation will be determined by using the highest such quotation received. If the Calculation Agent is unable to obtain two or more such quotations in relation to a Valuation Obligation on the same Business Day within five Business Days of the Valuation Date, then the Final Price for such Valuation Obligation will be an amount determined by the Calculation Agent in its commercially reasonable discretion as the prevailing market value of the Valuation Obligation in question.
- (d) Quotations will be expressed as a percentage of the selected amount of each Valuation Obligation for purposes of determining the Final Price (including where quotes actually received are expressed as a percentage of amounts payable at maturity of the relevant obligation, if different).
- (e) If there is more than one selected Valuation Obligation, then the Final Price will be the average of the Final Prices determined in relation to each such obligation, each such price being weighted by reference to the amount of each such obligation valued for such purpose.

"Nth to Default Credit-linked Security" means a Security specified as such in the Final Terms;

"Nth to Default Reference Entity" has the meaning given in the Nth to Default Standard Terms Supplement;

"Nth to Default Standard Terms Supplement" has the meaning given in Asset Term 1.3;

"Outstanding Nominal Amount" means, in respect of a Security, an amount equal to its Specified Denomination as reduced from time to time in accordance with Asset Term 2 (*Redemption*);

"Reference Entity Notional Amount" means the notional amount for the time being of credit protection which is purchased under the terms of the Reference CDS in relation to a Reference Entity, being, as of the Issue Date (and unless otherwise specified in the Final Terms):

- (a) if the Securities are Single Name credit-linked Securities, the Aggregate Nominal Amount;
- (b) if the Securities are Nth-to-Default Credit-linked Securities, the Aggregate Nominal Amount;
- (c) if the Securities are Basket Credit-linked Securities, the Aggregate Nominal Amount divided by the number of Reference Entities; and
- (d) otherwise, the amount specified as such in relation to a Reference Entity in the Final Terms,

subject in each case to the provisions of the Reference CDS and Asset Term 4 (*Successors*) relating to the determination of successor Reference Entities;

"Relevant Proportion" means, in respect of any day, an amount, expressed as a fraction, equal to the Outstanding Nominal Amount of the Security as of such day, divided by the aggregate of the Outstanding Nominal Amounts of all Securities then outstanding; and

"Single Name Credit-linked Security" means a Security specified as such in the Final Terms.

TAXATION - IRELAND

The following is a summary of the withholding tax position in Ireland in respect of the Securities. It does not relate to any other tax consequences relating to its particular circumstances resulting from holding the Securities.

All payments in respect of the Securities by or on behalf of the Issuer will be subject to any applicable withholding taxes and the Issuer does not assume responsibility for withholding such taxes. However, as of the date hereof, no such taxes would be applicable in Ireland.