Credit Linked Note referencing Peugeot SA

Structured Products Information –Termsheet

02 July 2020

The Securities are linked to the creditworthiness of Peugeot SA (the **"Reference Entity").** The Securities are not principal protected. If during the term of the Securities no Credit Event occurs the Securities will redeem at 100% of their Principal Amount.

Upon the occurrence of a Credit Event the Securities will be redeemed at the Credit Event Redemption Amount.

This Term Sheet is provided for discussion purposes only, is subject to the final documentation of the transaction and may be amended, superseded or replaced in its entirety by subsequent Term Sheets. This Term Sheet supersedes and replaces all prior communication between the parties hereto with respect to this transaction.

General Terms	
Version	1
Issuer	UniCredit Bank AG
ISIN/WKN	DE000HV4FDQ6 / HV4FDQ
Rating of the Issuer	Standard & Poor's: BBB+ (LT Foreign Issuer Credit Rating) / Moody's : A2 (Senior Unsecured Debt Rating)/ Fitch: BBB+ (Senior Unsecured Debt Rating)
Status of the Securities	Senior preferred, unsecured
Issue Price	100%
Issue Date	9 July 2020
Scheduled Maturity Date	29 June 2021
Maturity Date	Means the earlier to occur of: a) the Settlement Date of the credit event or b) the Scheduled Maturity Date, provided that the Issuer publishes a Maturity Extension Notice
Maturity Deferral Condition	A Maturity Extension Notice can be published any day that falls on or prior to the Scheduled Maturity Date if one of the Maturity Deferral Conditions below is fulfilled. (i) a request to determine whether a Credit Event has occurred exists; or (ii) an Event Determination Date occurred but the Credit Event has not yet been settled
Event Determination Date	Means either (a) the Credit Event Resolution Request Date if a DC Credit Event Announcement occurred, or (b) the date on which the Credit Event Notice and a Notice of Publicly Available Information confirming a Credit Event, have been published
Aggregate Nominal Amount	Up to EUR 20,000,000
Effective Issued Amount	EUR [●]
Principal Amount / Specified Denomination	EUR 100,000
Reference Entity	Peugeot SA
Reference Obligation	Means the Obligation stated below or the relevant Standard Reference Obligation as published by ISDA ISIN: FR0013153707 Issuer: Peugeot SA Maturity: 14. April 2023 Coupon: 2.375%
Standard Reference Obligation	Means in respect of the reference entity the relevant obligation with the relevant Seniority Level as published by ISDA
Transaction Type	Standard European Corporate
Interest	
Interest Rate	0.25 % p.a.
Interest Amount	Principal Amount x Interest Rate x Day Count Fraction

Interest Payment Dates	Interest shall be payable on each 29th June subject to an Interest Deferral, beginning on the 29th June 2021 and ending on the Maturity Date. The last Interest Period is ending on the Scheduled Maturity Date or the Event Determination Date respectively.
Interest Calculation Method/ Day Count Fraction	Act/Act ISDA (unadjusted, following)
Interest Deferral Condition	An Interest Deferral, i.e. the postponement of an Interest Payment Date may be published prior to any Interest Payment Date if there are one or more requests in regards to a credit event.
Credit Events	
Credit Events	means one or more of: (a) Bankruptcy; (b) Failure to Pay (c) Restructuring Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable; any of which may occur: (a) on or after the Issue Date (b) on or prior to the Scheduled Maturity Date
Consequences of a Credit Event	1) The Securities will be redeemed below 100% of the Principal Amount 2) The interest payments will be stopped
Obligation Category	Borrowed Money
Obligation Characteristics	None
All Guarantees	Applicable
Redemption and Early Redemption following a Credit Event	
Redemption	100% of the Principal Amount, provided that no Credit Event has occurred. Following the occurrence of a Credit Event the Securities will be redeemed at the Credit Event Redemption Amount.
Credit Event Redemption Amount	Principal Amount x Settlement Final Price – Swap Unwind Amount
Swap Unwind Amount	Means an amount equal to any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions entered into in connection with the Securities, including (but not limited to) any currency hedging transactions and interest rate swaps.
Settlement Method	Auction Settlement
Fallback Settlement Method	Cash Settlement
Settlement Final Price	Auction Final Price in % ,or if the Fallback Settlement Method applies, the Final Price or the Weighted Average Final Price, as applicable.
Valuation Obligation Category	Bond or Loan
Valuation Obligation Characteristics	Not Subordinated Specified Currency Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer
Other Terms	
Banking Days	London and Target
Calculation Agent	UniCredit Bank AG
Listing	None
Form of the Securities	Global Bearer Security
Rated	The Securities will not be rated

Governing Law	The Securities shall be governed by German Law
Selling Restrictions	USA
Smallest tradable unit	EUR 100,000
Smallest transferable unit	EUR 100,000

Disclaimer

This indicative term sheet is a summary of the proposed product terms and is based on data believed to be reliable. No representation or warranty is made that it is accurate or complete. Opinions and views expressed are subject to change without notice, as are prices and availability, which are indicative only. There is no obligation for us to notify you of any changes to these data or to do so in the future. No responsibility is accepted for the use of or reliance on the information provided. We specifically disclaim any liability for any loss, claim or damage suffered by you or any third party resulting directly or indirectly from any use of or reliance on the information provided without limitation. We may have an existing position in instruments or currencies stated herein and may also provide banking or other advisory services to issuers.

We do not provide any investment, accounting, tax or legal advice in respect of the product and shall not have a fiduciary relationship with any investor or potential investor in the product. In particular we do not make representations as to (a) the suitability of the product for any particular investor, (b) the appropriate accounting treatment or possible tax consequences of investing in the product, or (c) the future performance of the product either in absolute terms or relative to competing investments. Prospective investors in the product should obtain their own independent accounting, tax and legal advice and should consult their own professional investment advisor to ascertain the suitability of the product as an investment, including such independent investigation and analysis regarding the risks, security arrangements and cash-flows associated with the product as they deem appropriate to evaluate the merits and risk prior to an investment in the product.

We may possess or have access to non-publicly available information relating to the underlying instrument(s) or the trader(s) thereof. Accordingly, this term sheet may not contain all information in our possession that would be material to the evaluation of the merits and risks of investing in the product. We are not obliged to disclose such non-publicly available information to any potential investor.

As with any financial transaction, you should ensure that you fully understand the nature of the transaction and contractual relationship that you are entering into and the nature and the extent of your exposure to any risk or loss. Changes in rates of exchange or rates of interest may have an adverse effect on the price or value of investments. In particular you should be aware that payments over the life of the transaction may vary significantly and that you have adequate financial resources to meet such changes. In the event that you decide to terminate the product additional costs may be payable. These costs may represent the then-market value of the potential cash flows remaining under the structure and may be substantial. You should also ensure that you fully understand the legal, tax and accounting implications which arise from executing a transaction of the type envisaged herein. We have not described all of the risks or other considerations which may be relevant to you when entering into a transaction as described and you should ensure that you fully understand all such risks and have independently determined that the transaction is appropriate to you. Any information described herein does not constitute investment advice.

Any forward-looking statements contained herein are based on historical hypothetical performance under specified conditions. Any opinion, plan, forecast, or other statement of a forward-looking nature reflects our judgment based on information available at the time of the preparation of this document and are subject to change without notice. These forward-looking statements are subject to certain risks and uncertainties that could cause the actual results to differ materially from those stated or implied. Any forward or future performance figures shown are based on past performance, and are not a reliable indicator for future performance and should not be used as such in any circumstance.

This communication is directed only to (i) professional clients or eligible counterparties as defined in the rules of the Financial Conduct Authority and is not intended for distribution to, or use by, retail clients or (ii) “investment professionals” falling within Article 19(5) of the Financial and Services Markets Act 2000 (Financial Promotions) Order 2005, as amended, and to persons to whom it may otherwise be lawful to communicate (all such persons in (i) and (ii) together being referred to as “Relevant Persons”). Any investment or activity to which this commentary relates is available only to, and will be engaged in only with, Relevant Persons. Other persons should not rely or act upon this document or any of its contents.

If this communication relates to securities subject to the Prospectus Regulation (EUR 2017/1129) (the “Prospectus Regulation”) it is sent to you on the basis that you are a Qualified Investor for the purposes of the Prospectus Regulation and it must not be given to any person who is not a Qualified Investor. By being in receipt of this you undertake that you will only offer or sell the securities described herein in circumstances which do not require the production of a prospectus under the Prospectus Regulation. It does not constitute a solicitation to buy or sell an instrument or recommendation to engage in a trading strategy.

The information provided herein does not constitute an offer of securities for sale in the United States and is not for publication or distribution to persons in the United States (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")). The securities proposed to be offered have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to qualified institutional buyers as defined in Rule 144A under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Equally, this information is not for distribution or forwarding directly or indirectly in or into the United States, Canada, Japan, Australia or South Africa or to any other jurisdiction where distribution or forwarding would be prohibited by applicable law. It is not intended for distribution into any jurisdiction where such distribution is restricted by law or regulation and recipients into whose possession this document comes should inform themselves about, and observe any such restrictions.

This information is confidential and may not be passed on or reproduced in whole or part under any circumstances without our express written consent. UniCredit Bank AG is member of the UniCredit Group. UniCredit Bank AG is incorporated and registered at Arabellastrasse 12, 81925 Munich, Germany (HRB42148) and regulated by the European Central Bank and the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).