



**Final Terms dated 21 January 2016**

**Credit Suisse AG, London Branch**

**ZAR 200,000,000 Yield Securities due January 2021 (the "Securities")**

Series SPLB2016-066

issued pursuant to the Trigger Redeemable and Phoenix Securities Base Prospectus

as part of the **Structured Products Programme for the issuance of Notes, Certificates and Warrants**

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Base Prospectus dated 30 June 2015 as supplemented on 7 August 2015, 9 September 2015, 26 October 2015, 5 November 2015, 26 November 2015, 9 December 2015, 15 January 2016, and by any further supplements up to, and including, the later of the Issue Date and the date of listing of the Securities which together constitute a base prospectus for the purposes of Directive 2003/71/EC, as amended from time to time, including by Directive 2010/73/EU (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. A summary of the Securities is annexed to these Final Terms. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. Copies of the Base Prospectus and each supplement may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein.

These Final Terms comprise the final terms for the issue and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Securities. The Final Terms will be available for viewing on the website of Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

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|----|--|-------------------------------------|
| 1. | Series Number:                           | SPLB2016-066                        |
| 2. | Tranche Number:                          | Not Applicable                      |
| 3. | Applicable General Terms and Conditions: | General Note Conditions             |
| 4. | Type of Security:                        | Yield Securities                    |
| 5. | Settlement Currency:                     | South African Rand (" <b>ZAR</b> ") |
| 6. | Institutional:                           | Applicable                          |

### **PROVISIONS RELATING TO NOTES AND CERTIFICATES**

- |    |                                |   |
|----|--------------------------------|---|
| 7. | Aggregate Nominal Amount:      |   |
|    | (i) Series:                    | ZAR 200,000,000                                 |
|    | (ii) Tranche:                  | Not Applicable                                  |
| 8. | Issue Price:                   | 79.82 per cent. of the Aggregate Nominal Amount |
| 9. | Specified Denomination/Nominal | ZAR 20,000                                      |

Amount:

- |     |  |  |
|-----|--|--|
| 10. | Minimum Transferable Number of Securities: | One Security (of the Specified Denomination) and, thereafter, integral multiples of one Security (of the Specified Denomination) |
| 11. | Transferable Number of Securities:         | Not Applicable   |
| 12. | Minimum Trading Lot:                       | Not Applicable   |
| 13. | Issue Date:                                | 21 January 2016  |
| 14. | Maturity Date:                             | 15 January 2021  |
| 15. | Coupon Basis:                              | Applicable: Fixed Rate Provisions  |
| 16. | Redemption/Payment Basis:                  | Fixed Redemption   |
| 17. | Put/Call Options:                          | Not Applicable   |

**PROVISIONS RELATING TO WARRANTS** Not Applicable

*(Paragraphs 18 to 28 have been intentionally deleted)*

**PROVISIONS RELATING TO COUPON AMOUNTS**

- |     |   |   |
|-----|---|---|
| 29. | Fixed Rate Provisions (General Note Condition 4 or General Certificate Condition 4):    | Applicable  |
|     | (i) Rate of Interest:   | 4.00 per cent. per annum  |
|     | (ii) Interest Commencement Date:  | 21 January 2016   |
|     | (iii) Interest Payment Date(s):   | The fifteenth day of each calendar month, commencing on, and including, 15 February 2016, and ending on, and including, the Maturity Date, in each case, subject to adjustment in accordance with the Business Day Convention, for purposes of payment only |
|     | (iv) Interest Period:   | Unadjusted  |
|     | (v) Business Day Convention:  | Following Business Day Convention   |
|     | (vi) Interest Amount(s) per Security:   | Not Applicable  |
|     | (vii) Day Count Fraction:   | 30/360 (unadjusted basis)   |
|     | (viii) Determination Date(s):   | Not Applicable  |
| 30. | Floating Rate Provisions (General Note Condition 4 or General Certificate Condition 4): | Not Applicable  |
| 31. | Premium Provisions (General Note Condition 4 or General Certificate Condition 4):       | Not Applicable  |
| 32. | Other Coupon Provisions (Product  | Not Applicable  |

Condition 2):

## PROVISIONS RELATING TO REDEMPTION/SETTLEMENT

33.	Redemption Amount or (in the case of Warrants) Settlement Amount (Product Condition 3):	Fixed Redemption Amount
(i)	Redemption Percentage:	Option Applicable: 100 per cent.
(ii)	Redemption Performance:	Not Applicable
(iii)	Redemption Amount Cap/Floor:	Not Applicable
(iv)	Redemption Strike Price:	Not Applicable
34.	Initial Setting Date:	Not Applicable
35.	Initial Averaging Dates:	Not Applicable
36.	Final Fixing Date:	Not Applicable
37.	Averaging Dates:	Not Applicable
38.	Final Price:	Not Applicable
39.	Strike Price:	Not Applicable
40.	Knock-in Provisions:	Not Applicable
41.	Trigger Redemption (Product Condition 3(c)):	Not Applicable
42.	Lock-in Redemption:	Not Applicable
43.	Details relating to Instalment Securities:	Not Applicable
44.	Physical Settlement Provisions (Product Condition 4):	Not Applicable
45.	Put Option:	Not Applicable
46.	Call Option:	Not Applicable
47.	Unscheduled Termination Amount:	
(i)	Unscheduled Termination at Par:	Not Applicable
(ii)	Minimum Payment Amount:	Not Applicable
(iii)	Deduction for Hedge Costs:	Applicable
48.	Payment Disruption:	Not Applicable
49.	Interest and Currency Rate Additional Disruption Event:	Applicable
-	Trade Date:	19 January 2016

## UNDERLYING ASSETS

50.	List of Underlying Asset(s):	Not Applicable
51.	Equity-linked Securities:	Not Applicable
52.	Equity Index-linked Securities:	Not Applicable
53.	Commodity-linked Securities:	Not Applicable
54.	Commodity Index-linked Securities:	Not Applicable
55.	ETF-linked Securities:	Not Applicable
56.	FX-linked Securities:	Not Applicable
57.	FX Index-linked Securities:	Not Applicable
58.	Inflation Index-linked Securities:	Not Applicable
59.	Interest Rate Index-linked Securities:	Not Applicable
60.	Cash Index-linked Securities:	Not Applicable
61.	Multi-Asset Basket-linked Securities:	Not Applicable
62.	Valuation Time:	Not Applicable

## GENERAL PROVISIONS

63.	(i)	Form of Securities:	Registered Securities
	(ii)	Global Security:	Applicable
	(iii)	NGN Form/Held under the NSS:	Not Applicable
	(iv)	Intended to be held in a manner which would allow Eurosystem eligibility:	No
	(v)	The Issuer intends to permit indirect interests in the Securities to be held through CREST Depository Interests to be issued by the CREST Depository:	Not Applicable
64.		Financial Centre(s):	Johannesburg
65.		Business Centre(s):	Johannesburg
66.		Listing and Admission to Trading:	Applicable
	(i)	Exchange(s) to which application will initially be made to list the Securities:	Luxembourg Stock Exchange
	(ii)	Admission to trading:	Application will be made for the Securities to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from on or

around the Issue Date provided, however, no assurance can be given that the Securities will be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or listed on the Official List of the Luxembourg Stock Exchange on or around the Issue Date or any specific date thereafter.

67. Security Codes and Ticker Symbols:
- ISIN: XS1289146257
- Common Code: 128914625
- Swiss Security Number: Not Applicable
- Telekurs Ticker: Not Applicable
- WKN Number: Not Applicable
68. Clearing and Trading:
- Clearing System(s) and any relevant identification number(s): Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme
69. Delivery: Delivery against payment
70. Agents:
- Calculation Agent: Credit Suisse International  
One Cabot Square  
London E14 4QJ
- Fiscal Agent: The Bank of New York Mellon, acting through its  
London Branch  
One Canada Square  
London E14 5AL
- Paying Agent(s): The Bank of New York Mellon, acting through its  
London Branch  
One Canada Square  
London E14 5AL
- Additional Agents: Applicable
- Transfer Agent:
- The Bank of New York Mellon, acting through its  
London Branch  
One Canada Square  
London E14 5AL
- The Bank of New York Mellon (Luxembourg) S.A.  
Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg
- Registrar: The Bank of New York Mellon (Luxembourg) S.A.  
Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg

- |     |   |                             |
|-----|---|-----------------------------|
| 71. | Dealer(s):  | Credit Suisse International |
| 72. | Specified newspaper for the purposes of notices to Securityholders: | Not Applicable              |
| 73. | Additional Provisions:  | Not Applicable              |

## PART B – OTHER INFORMATION

### Fixed Rate Securities only – YIELD

Indication of yield: 9.40 per cent.

The yield is calculated as at the Issue Date on the basis of the Issue Price and the Redemption Amount at maturity. It is not an indication of future yield.

### Interests of Natural and Legal Persons involved in the Issue

So far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue, save for any fees payable to the distributors.

The Dealer will pay a fee to the distributors in connection with the issue of up to 2.5 per cent. of the Specified Denomination per Security upfront.

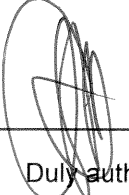
### REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

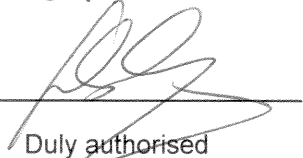
- |       |                           |  |
|-------|---------------------------|--|
| (i)   | Reasons for the offer:    | See "Use of Proceeds" in the Base Prospectus |
| (ii)  | Estimated net proceeds:   | ZAR 159,560,000                              |
| (iii) | Estimated total expenses: | ZAR 80,000                                   |

### Rating

The Securities have not been rated.

Signed on behalf of the Issuer:

By:  **Chris Spokes**  
Authorised Signatory  
Duly authorised

By:  **Luca De Giorgi**  
Authorised Signatory  
Duly authorised

## SUMMARY OF THE SECURITIES

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 these types of Securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of Securities and Issuers, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction and Warnings:</b>	<p>This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability only attaches 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 the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</p>
<b>A.2</b>	<b>Consent(s):</b>	Not applicable; the Issuer does not consent to the use of the Base Prospectus for any subsequent resale of the Securities.
<b>Section B - Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer:</b>	Credit Suisse AG (" <b>CS</b> "), acting through its London Branch (the " <b>Issuer</b> ").
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which the Issuers operates and country of incorporation of Issuer:</b>	CS is a Swiss bank and joint stock corporation established under Swiss law on 5 July 1856 and operates under Swiss law. Its registered head office is located at Paradeplatz 8, CH-8001, Switzerland.
<b>B.4b</b>	<b>Known trends with respect to the Issuer and the industries in which it operates:</b>	Not applicable - there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for its current financial year.

B.5	Description of group and Issuers' position within the group:	CS is a wholly owned subsidiary of Credit Suisse Group AG. CS has a number of subsidiaries in various jurisdictions.																																																														
B.9	Profit forecast or estimate:	Not applicable; no profit forecasts or estimates have been made by the Issuer.																																																														
B.10	Qualifications in audit report on historical financial information:	Not applicable; there were no qualifications in the audit report on historical financial information.																																																														
B.12	Selected key financial information; no material adverse change and description of significant change in financial position of the Issuer:	<table><tr><td colspan="3"><b>CS</b></td></tr><tr><td><i>In CHF million</i></td><td colspan="2"><i>Year ended 31 December</i></td></tr><tr><td></td><td><i>2014</i></td><td><i>2013</i></td></tr><tr><td><b>Selected income statement data</b></td><td></td><td></td></tr><tr><td>Net Revenue</td><td>25,589</td><td>25,314</td></tr><tr><td>Total operating expenses</td><td>22,503</td><td>21,567</td></tr><tr><td>Net income</td><td>1,764</td><td>2,629</td></tr><tr><td><b>Selected balance sheet data</b></td><td colspan="2"></td></tr><tr><td>Total assets</td><td>904,849</td><td>854,429</td></tr><tr><td>Total liabilities</td><td>860,208</td><td>810,797</td></tr><tr><td>Total equity</td><td>44,641</td><td>43,632</td></tr><tr><td colspan="3"></td></tr><tr><td><i>In CHF million</i></td><td colspan="2"><i>Nine months ended 30 September (unaudited)</i></td></tr><tr><td></td><td><i>2015</i></td><td><i>2014</i></td></tr><tr><td><b>Selected income statement data</b></td><td></td><td></td></tr><tr><td>Net Revenue</td><td>19,098</td><td>19,386</td></tr><tr><td>Total operating expenses</td><td>15,410</td><td>17,119</td></tr><tr><td>Net income/loss</td><td>2,475</td><td>1,184</td></tr><tr><td><b>Selected balance sheet data</b></td><td><i>Nine months ended 30 September 2015 (unaudited)</i></td><td><i>Year ended 31 December 2014</i></td></tr><tr><td>Total assets</td><td>841,376</td><td>904,849</td></tr></table>			<b>CS</b>			<i>In CHF million</i>	<i>Year ended 31 December</i>			<i>2014</i>	<i>2013</i>	<b>Selected income statement data</b>			Net Revenue	25,589	25,314	Total operating expenses	22,503	21,567	Net income	1,764	2,629	<b>Selected balance sheet data</b>			Total assets	904,849	854,429	Total liabilities	860,208	810,797	Total equity	44,641	43,632				<i>In CHF million</i>	<i>Nine months ended 30 September (unaudited)</i>			<i>2015</i>	<i>2014</i>	<b>Selected income statement data</b>			Net Revenue	19,098	19,386	Total operating expenses	15,410	17,119	Net income/loss	2,475	1,184	<b>Selected balance sheet data</b>	<i>Nine months ended 30 September 2015 (unaudited)</i>	<i>Year ended 31 December 2014</i>	Total assets	841,376	904,849
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		<table> <tr> <td>Total liabilities</td><td>796,651</td><td>860,208</td></tr> <tr> <td>Total equity</td><td>44,725</td><td>44,641</td></tr> </table> <p>There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2014.</p> <p>Not applicable; there has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 30 September 2015.</p>	Total liabilities	796,651	860,208	Total equity	44,725	44,641
Total liabilities	796,651	860,208						
Total equity	44,725	44,641						
<b>B.13</b>	<b>Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:</b>	Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.						
<b>B.14</b>	<b>Issuer's position in its corporate group and dependency on other entities within the corporate group:</b>	<p>See Element B.5 above.</p> <p>Not applicable; CS is not dependent upon other members of its group.</p>						
<b>B.15</b>	<b>Issuer's principal activities:</b>	CS' principal activities are the provision of financial services in the areas of investment banking, private banking and asset management.						
<b>B.16</b>	<b>Ownership and control of the Issuer:</b>	CS is a wholly owned subsidiary of Credit Suisse Group AG.						
<b>B.17</b>	<b>Ratings:</b>	<p>CS has been issued a senior unsecured long-term debt rating of "A" by Standard &amp; Poor's, a senior long-term debt rating of "A" by Fitch and a senior long-term debt rating of "A2" by Moody's Inc.</p> <p>Not Applicable, the Securities have not been rated.</p>						
<b>Section C – Securities</b>								
<b>C.1</b>	<b>Type and class of securities being offered and security identification number(s):</b>	<p>The Securities are Notes.</p> <p>The Securities are Yield Securities and will pay fixed interest.</p> <p>The Securities of a Series will be uniquely identified by <b>ISIN: XS1289146257, Common Code: 128914625</b>.</p>						
<b>C.2</b>	<b>Currency:</b>	The currency of the Securities will be South African Rand (" <b>ZAR</b> ") (the " <b>Settlement Currency</b> ").						
<b>C.5</b>	<b>Description of restrictions on free transferability of the Securities:</b>	<p>The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "<b>Securities Act</b>") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.</p> <p>No offers, sales or deliveries of the Securities, or distribution of any</p>						

		<p>offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p> <p>Subject to the above, the Securities will be freely transferable.</p>
C.8	<p><b>Description of rights attached to the securities, ranking of the securities and limitations to rights:</b></p>	<p><b>Rights:</b> The Securities will give each holder of Securities (a "<b>Securityholder</b>") the right to receive a potential return on the Securities (see Element C.9 below). The Securities will also give each Securityholder the right to vote on certain amendments.</p> <p><b>Ranking:</b> The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.</p> <p><b>Limitation to Rights:</b></p> <ul style="list-style-type: none"> <li>The Issuer may redeem the Securities early for illegality reasons, or following an event of default or following certain events affecting the Issuer's hedging arrangements. In such case, the amount payable in respect of each Security on such early redemption will be equal to the Unscheduled Termination Amount, and no other amount shall be payable in respect of each Security on account of interest or otherwise.</li> </ul> <p>Where:</p> <ul style="list-style-type: none"> <li><b>Unscheduled Termination Amount:</b> in respect of each Security, an amount (which may be greater than or equal to zero) equal to the value of such Security immediately prior to its redemption, as calculated by the calculation agent using its internal models and methodologies, such amount to be adjusted to account for any associated losses, expenses or costs incurred (or would be incurred) by the Issuer and/or its affiliates as a result of unwinding, establishing, re-establishing and/or adjusting any hedging arrangements in relation to such Security.</li> </ul> <p>For the avoidance of doubt, if a Security is redeemed following an event of default, the Unscheduled Termination Amount shall not take into account the financial position of the Issuer immediately prior to the event of default, and the Issuer shall be presumed to be able to fully perform its obligations under such Security for such purposes.</p> <ul style="list-style-type: none"> <li>The Issuer may adjust the terms and conditions of the Securities without the consent of Securityholders following certain events affecting the Issuer's hedging arrangements, or may early redeem the Securities at the Unscheduled Termination Amount as described above (and no other amounts shall be payable in respect of the Securities on account of interest or otherwise following such determination by the Issuer).</li> <li>The terms and conditions of the Securities contain provisions for convening meetings of Securityholders to consider any matter affecting their interests, and any resolution passed by the relevant majority at a meeting will be binding on all</li> </ul>

		<p>Securityholders, whether or not they attended such meeting or voted for or against the relevant resolution. In certain circumstances, the Issuer may modify the terms and conditions of the Securities without the consent of Securityholders.</p> <ul style="list-style-type: none"> <li>• The Securities are subject to the following events of default: if the Issuer fails to pay any amount due in respect of the Securities within 30 days of the due date, or if any events relating to the insolvency or winding up of the Issuer occur.</li> <li>• The Issuer may at any time, without the consent of the Securityholders, substitute for itself as Issuer under the Securities any company with which it consolidates, into which it merges or to which it sells all or substantially all of its property.</li> <li>• <b>Governing Law:</b> The Securities are governed by English law.</li> </ul>
C.9	<b>Description of the rights attached to the securities including ranking and limitations, interest, redemption, yield and representative of Securityholders:</b>	<p>See Element C.8 above for information on rights attaching to the Series of Securities including ranking and limitations.</p> <p><b>Coupon</b></p> <p>The Securities shall bear interest at the rate of 4.00 per cent. per annum. Interest will accrue from, and including, the issue date to, but excluding, the Maturity Date, such interest being payable in arrear on each Coupon Payment Date. The Coupon Payment Dates will be the fifteenth day of each calendar month, commencing on, and including, 15 February 2016, and ending on, and including, the Maturity Date. The yield is 9.40 per cent., calculated at the issue date on the basis of the issue price.</p> <p><b>Redemption</b></p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, the Issuer shall redeem the Securities on the Maturity Date at the Redemption Amount, which shall be an amount in the Settlement Currency equal to the <i>product</i> of (a) the Redemption Option Percentage and (b) the Nominal Amount. Settlement procedures will depend on the clearing system for the Securities and local practices in the jurisdiction of the investor.</p> <p>The scheduled Maturity Date of the Securities is 15 January 2021.</p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>Nominal Amount:</b> ZAR 20,000</li> <li>• <b>Redemption Option Percentage:</b> 100 per cent.</li> </ul> <p><b>Representative of holders of Securities:</b> Not applicable; the Issuer has not appointed any person to be a representative of the Securityholders.</p>
C.10	<b>Derivative component in the interest payment:</b>	<p>See Element C.9 above for information on interest, redemption, yield and representation of Securityholders.</p> <p>Not applicable; there is no derivative component in the interest payment(s) made in respect of the Securities.</p>
C.11	<b>Admission to trading:</b>	<p>Application will be made to admit the Securities to trading on the regulated market of the Luxembourg Stock Exchange.</p>

## Section D – Risks

D.2	<b>Key risks that are specific to the Issuer:</b>	<p>The Securities are general unsecured obligations of the Issuer. Investors in the Securities are exposed to the risk that the Issuer could become insolvent and fail to make the payments owing by it under the Securities.</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, market risk, credit risk, risks from estimates and valuations, risks relating to off-balance sheet entities, cross-border and foreign exchange risks, operational risks, legal and regulatory risks and competition risks.</p> <p>The Issuer is exposed to a variety of risks that could adversely affect its operations and/or financial condition:</p> <ul style="list-style-type: none"> <li>• <b>Liquidity risk:</b> The Issuer's liquidity could be impaired if it were unable to access the capital markets or sell its assets, and the Issuer expects its liquidity costs to increase. If the Issuer is unable to raise funds or sell its assets, or has to sell its assets at depressed prices, this may adversely affect its financial condition. The Issuer's businesses rely significantly on its deposit base for funding; however, if deposits cease to be a stable source of funding, the Issuer's liquidity position may be adversely affected and it may be unable to meet its liabilities or fund new investments. Changes to the Issuer's credit ratings may also adversely affect the Issuer's business.</li> <li>• <b>Market risk:</b> The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility in financial and other markets. Its 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's real estate-related businesses may continue to be adversely affected by any downturn in real estate markets and the economy as a whole. The Issuer has significant risk concentration in the financial services industry which may cause it to suffer losses even when economic and market conditions are generally favourable for others in the industry. Further, the Issuer's hedging strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Market risk may also increase the other risks that the Issuer faces.</li> <li>• <b>Credit risk:</b> The Issuer may suffer significant losses from its credit exposures across a wide range of transactions. The Issuer's exposure to credit risk may be increased by adverse economic or market trends or increased volatility in the markets. The Issuer may be unable to sell its positions, which may increase its capital requirements, which could adversely affect its businesses. Defaults or concerns about a default by a large financial institution could also adversely affect the Issuer and financial markets generally. The information which the Issuer uses to manage its credit risk (such as the credit or trading risks of a counterparty) may also be inaccurate or incomplete.</li> <li>• <b>Risks from estimates and valuations:</b> The Issuer makes estimates and valuations that affect its reported results; these</li> </ul>
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		<p>also adversely affect the Issuer by reducing the demand for the Issuer's services.</p> <ul style="list-style-type: none"> <li>• <b>Competition risks:</b> 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 due to any failure (or perceived failure) in its procedures and controls to address conflicts of interest, prevent employee misconduct, etc. The continued public focus on compensation in the financial services industry and related regulatory changes may adversely impact the Issuer's ability to attract and retain highly skilled employees. The Issuer also faces competition from new trading technologies which may adversely affect its revenues and businesses.</li> <li>• <b>Risks relating to strategy:</b> The Issuer may not achieve all of the expected benefits of its strategic initiatives. The Issuer has announced a program to change its legal entity structure; however, this is subject to uncertainty regarding feasibility, scope and timing. Legal and regulatory changes may require the Issuer to make further changes to its legal structure, and such changes may potentially increase operational, capital, funding and tax costs, as well as the Issuer's counterparties' credit risk.</li> </ul>
D.3	<b>Key risks that are specific to the Securities:</b>	<p>The Securities are subject to the following key risks:</p> <ul style="list-style-type: none"> <li>• A secondary market for the Securities may not develop and, if it does, it may not provide the investors with liquidity and may not continue for the life of the Securities. Illiquidity may have an adverse effect on the market value of the Securities. The price in the market for a Security may be less than its issue price or its offer price and may reflect a commission or a dealer discount, which would further reduce the proceeds you would receive for your Securities.</li> <li>• The issue price or the offer price of the Securities may be more than the market value of such Securities as at the issue date, and more than the price at which the Securities can be sold in secondary market transactions. The issue price or the offer price of the Securities may take into account, where permitted by law, fees, commissions or other amounts relating to the issue, distribution and sale of the Securities, or the provision of introductory services, expenses incurred by the Issuer in creating, documenting and marketing the Securities and amounts relating to the hedging of its obligations under the Securities.</li> <li>• The levels and basis of taxation on the Securities and any reliefs from such taxation will depend on an investor'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 investors.</li> <li>• In certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal or following an event of default or following certain events affecting the Issuer's hedging arrangements) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the <u>Unscheduled Termination Amount</u></li> </ul>

		<p>payable may be less than the original purchase price and could be as low as zero. No other amounts shall be payable in respect of the Securities on account of interest or otherwise following such determination by the Issuer.</p> <ul style="list-style-type: none"> <li>• Following early redemption of Securities, investors may not be able to reinvest the redemption proceeds at a comparable return and/or at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.</li> <li>• Investors may be exposed to currency risks because the underlying asset(s) may be denominated in a currency other than the currency in which the Securities are denominated, or the Securities and/or underlying asset(s) may be denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease based on fluctuations in those currencies.</li> <li>• Investors should note that the Issuer will not be obliged to maintain the listing of the Securities in certain circumstances, such as a change in listing requirements.</li> <li>• The Issuer may modify the terms and conditions of the Securities without the consent of Securityholders for the purposes of (a) curing any ambiguity or correcting or supplementing any provision if the Issuer determines it to be necessary or desirable, provided that such modification is not prejudicial to the interests of Securityholders, or (b) correcting a manifest error.</li> <li>• The Issuer may adjust the terms and conditions of the Securities without the consent of Securityholders following certain events affecting the Issuer's hedging arrangements, or may early redeem the Securities at an amount which may be less than the initial investment.</li> <li>• In making discretionary determinations under the terms and conditions of the Securities, the Issuer and the calculation agent may take into account the impact on the relevant hedging arrangements. Such determinations could have a material adverse effect on the value of and return on the Securities and could result in their early redemption.</li> <li>• The Issuer may be substituted without the consent of Securityholders in favour of any affiliate of the Issuer or another company with which it consolidates or into which it merges or to which it sells or transfer all or substantially all of its property.</li> <li>• The Issuer is subject to a number of conflicts of interest, including: (a) in making certain calculations and determinations, there may be a difference of interest between the investors 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 related derivatives, which may affect the market price, liquidity or value of the Securities, and</li> </ul>
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		(c) the Issuer (or an affiliate) may have confidential information in relation to the underlying asset(s) or any derivative instruments referencing them which may be material to an investor, but which the Issuer is under no obligation (and may be subject to legal prohibition) to disclose.
<b>Section E – Other</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds:</b>	Not applicable; the net proceeds from the issue of the Securities will be used by the Issuer for its general corporate purposes (including hedging arrangements).
<b>E.3</b>	<b>Terms and conditions of the offer:</b>	The Securities have been offered to the dealer at the issue price. The Securities are not being publicly offered.
<b>E.4</b>	<b>Interests material to the issue/offer:</b>	Fees shall be payable to the distributor(s).  The Issuer is subject to conflicts of interest between its own interests and those of holders of Securities, as described in Element D.3 above.
<b>E.7</b>	<b>Estimated expenses charged to the investor by the Issuer/offeror:</b>	The dealer will pay a fee to the distributors in connection with the issue of up to 2.5 per cent. of the Specified Denomination per Security upfront.

