



UniCredit Bank Austria AG

(Incorporated as a joint stock company in the Republic of Austria under registered number FN 150714p)

relating to the

€40,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

FOR THE ISSUE OF NOTES INCLUDING PFANDBRIEFER AND JUMBO-PFANDBRIEFER DUE FROM ONE MONTH TO 40 YEARS FROM THE DATE OF ISSUE

This supplement (the "Supplement") constitutes a prospectus supplement pursuant to Art 16 (1) of the Directive 2003/71/EC, as amended by the Directive 2010/73/EU (the "2010 PD Amending Directive") (the "Prospectus Directive") and Article 13.1 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "Prospectus Act") and is supplemental to, and should be read in conjunction with, the base prospectus dated 12 November 2010 (the "Original Prospectus") relating to a €40,000,000,000 Euro Medium Term Note Programme (the "Programme") of UniCredit Bank Austria AG (the "Issuer" or "Bank Austria"), as amended and supplemented by the prospectus supplement dated 20 December 2010 (the "First Supplement") and further supplemented by the prospectus supplement dated 31 December 2010 (the "Second Supplement" together with the First Supplement and the Original Prospectus, the "Prospectus").

The Original Prospectus was approved on 12 November 2010 by the Commission de Surveillance du Secteur Financier ("CSSF") and published on 12 November 2010 by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.bankaustria.at). The Second Supplement was approved on 31 December 2010 by the CSSF and published on 31 December 2010 by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.bankaustria.at).

This Supplement has been filed for approval with the CSSF in its capacity as competent authority in Luxembourg for approving this Supplement and to provide each of the Financial Markets Authority (Finanzmarktaufsicht) ("FMA") being the competent authority in the Republic of Austria as well as the respective competent authorities in each of the United Kingdom, Germany and the Republic of Ireland with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Directive. This Supplement has been approved by and filed with the CSSF on 2 August 2011 and has been published on or about 2 August 2011 by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.bankaustria.at).

Terms defined in the Prospectus shall have the same meaning when used in this Supplement.

This Supplement does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

To the extent that there is any inconsistency between a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and b) any other statement in or incorporated by reference in the Prospectus, the statements in a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information in the Original Prospectus, the First Supplement and the Second Supplement have arisen or been noted, as the case may be, since the publication of the Original Prospectus, the First Supplement and the Second Supplement.

In accordance with Art 16 of the Prospectus Directive and Article 13.2 of Chapter 1 of Part II of the Prospectus Act, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable within a time limit of minimum two working days after the publication of this Supplement, to withdraw their acceptances.

The Issuer accepts responsibility for the information contained in this Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

No person has been authorised to give any information or to make any representation other than those contained in this Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or UniCredit Bank AG (the "Arranger"). Neither the delivery of this Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Bank Austria Group since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Bank Austria Group since the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to US persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Supplement, see "Subscription and Sale" of the Prospectus.

The Dealers and the Arranger have not separately verified the information contained in this Supplement. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement. Neither this Supplement nor any financial statements supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Dealers or the Arranger that any recipient of this Supplement or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Bank Austria Group during the life of the arrangements contemplated by this Supplement nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

The following significant new factor (as referred to in Art 16 (1) of the Prospectus Directive and Article 13.1 of Chapter 1 of Part II of the Prospectus Act) relating to the information included in the Prospectus which are capable of affecting the assessment of the Notes, have arisen:

On 1 August 2011, a law amending various tax laws (*Abgabenänderungsgesetz 2011*) was promulgated as a result of which the following sections of the Prospectus shall be amended as follows:

Page 291 *et seq.* of the Original Prospectus and as supplemented on pages 3 to 5 of the Second Supplement under the heading "Taxation – Austria" shall be replaced in its entirety to read as follows:

TAXATION

Austria

The following summary does not purport to be a comprehensive description of all Austrian tax considerations that may be relevant for the decision to acquire, to hold, and to dispose of the Notes and does not constitute legal or tax advice. The summary is based on Austrian tax law and practice and official interpretation currently in effect, all of which are subject to change. Future legislative, judicial or administrative changes could modify the tax treatment described below and could affect the tax consequences for investors. Prospective investors should consult their own independent advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of the Notes under the laws of the jurisdictions in which they may be subject to tax (especially, but not limited to, the tax consequences relating to Index-linked Notes, Equity-Linked Notes, Cash-or-Share Notes, Variable Rate Notes, Inverse Floating Rate Notes, Target Redemption Notes, Credit-Linked Notes, Instruments issued at a substantial discount or premium, Zero Coupon Notes, Currency Risk/Dual Currency Notes or Step-up/step-down Notes). The discussion of certain Austrian taxes set forth below is included for information purposes only.

This summary of Austrian tax issues is based on the assumption that the Notes do not qualify as equity for Austrian tax purposes. The tax consequences may substantially differ if the Notes are qualified as equity instruments or (in particular if issued by a non-Austrian entity) units in a non-Austrian investment fund within the meaning of § 42(1) of the Austrian Investment Fund Act (*Investmentfondsgesetz, InvFG*).

Tax treatment of Notes purchased prior to 1 April 2012

Austrian tax resident individual investors

Interest received by an individual investor resident in Austria for tax purposes (i.e., the individual has a tax residence/domicile and/or the habitual place of abode in Austria) is subject to Austrian income tax.

If the interest under the Notes is paid by an Austrian coupon paying agent, withholding tax at a rate of 25% is triggered. Such withholding tax is final (i.e., the investor does not have to include such income in the income tax return) provided that the Notes are both legally and actually publicly offered. If the investor's applicable average income tax rate is below 25%, the investor may file an income tax return including the interest income and apply for assessment of his income tax liability based on his income tax return. In the absence of an Austrian coupon paying agent, the investor has to include the interest income in the income tax return and Austrian income tax at the special rate of 25% is due (§ 37(8) EStG). Any expense directly connected to income that is subject to the final Austrian withholding tax or the special tax rate of 25% is not deductible for Austrian tax purposes.

Capital gains from the sale of the Notes purchased prior to 1 October 2011 and held by a private investor are only taxable if the Note is sold within one year after its acquisition (so called "speculative transaction"). Income tax at the regular rates of up to 50% would be due if the aggregate amount of profits from speculative transactions realised by the private investor in a given calendar year exceeds € 440. Capital gains from the sale of the Notes purchased on or after 1 October 2011 and prior to 1 April 2012 by a private investor are subject to income tax as a speculative transaction irrespective of any holding period. In this latter case the regular rates of up to 50% apply if the Notes are sold prior to 1 April 2012 and a 25% tax rate applies if the Notes are sold on or after 1 April 2012 in each case if the aggregate amount of profits from speculative transactions realised by the private investor in a given calendar year exceeds € 440. Losses from a speculative transaction realised within the calendar year may not be compensated with other income of the private investor other than speculation profits realised in that specific calendar year, however, to the extent the 25% tax rate applies to Notes (i.e. Notes purchased on or after 1 October 2011 and sold on or after 1 April 2012) the losses are not part of the tax base unless the investor opts for taxation at the regular rates of up to 50%. Income from Notes, the redemption amount of which disproportionately depends on the value fluctuations of an underlying, would be considered a capital gain if the initial investment amount does not exceed 20% of the referenced underlying.

If a Note is considered an index product, any difference between the issue price and the repurchase price at maturity due to the development of the reference-value is treated as interest (§ 27(2)(2) EStG) for Austrian income tax purposes. Equally, any positive difference due to the development of the reference-value which is realised upon the alienation of the index product prior to maturity is treated as interest income. According to the BMF, these principles may equally be applied to securities under which the investor has a right for repayment of the investment and the amount of such repayment depends on the performance of single equities or commodities which, at their entirety, do not amount to an index.

If the Notes are held as business assets, capital gains from the sale of the Notes are taxable income irrespective of any holding period.

Austrian tax resident corporate investor

A corporation that is subject to unlimited corporate income tax liability in Austria (i.e., a corporation that has its seat or place of effective management in Austria) receiving such income will be subject to Austrian corporate income tax at a rate of 25%. The 25% Austrian withholding tax may be triggered but is creditable against the corporate investor's Austrian corporate income tax liability. Corporate investors may avoid triggering Austrian withholding tax on interest by filing an exemption declaration (§ 94(5) EStG).

Capital gains from the sale of the Notes, held as business assets, are taxable income irrespective of any holding period.

Tax treatment of Notes purchased on or after 1 April 2012

Austrian tax resident individual investors

Interest, capital gains and income from derivatives under the Notes realised by an investor resident in Austria for tax purposes is subject to Austrian income tax generally at a final tax rate of 25%. In case of an individual investor, income tax is levied at the time the interest, the capital gains or the income from the derivatives under the Notes is received (i.e. upon receipt of a cash payment).

If interest is paid by an Austrian paying agent (e.g. an Austrian credit institution or Austrian issuer) withholding tax at a rate of 25% is triggered (except Notes which are legally or actually not publicly offered). In relation to capital gains and income from derivatives withholding tax at a rate of 25% is triggered if the Notes are deposited with an Austrian depository (e.g. an Austrian credit institution or Austrian branch of a non-Austrian credit institution). In the absence of an Austrian paying agent or depository the investor must include interest, capital gains or income from derivatives in the income tax return and such income is taxed at a rate of 25%. Capital gains and income from derivatives needs to be included in the income tax return if realised as business income or employment income. The 25% (withholding) tax rate is subject to the relevant Note being both legally and actually publicly offered. An investor may apply for taxation at the progressive income tax rate. A deduction of expenses that are directly economically connected to income from the Notes is generally not allowed (unless the Notes were legally or actually not publicly offered).

An investor may file an application to offset losses from the Notes in the course of the tax assessment, however, limitations apply pursuant to which losses from the alienation of Notes or income from derivatives may not be set-off against interest income from savings accounts and similar claims against credit institutions, from participations as a silent partner or other income categories (*Einkunftsarten*). Further, losses from Notes that qualify for the 25% tax rate may not be offset against income from Notes which do not qualify for the 25% tax rate (e.g. securities that were legally or actually not publicly offered).

Austrian tax resident corporate investor

A corporation subject to unlimited corporate income tax liability in Austria will be subject to Austrian corporate income tax at a rate of 25%. A corporation may file an exemption declaration in order to avoid that Austrian withholding tax is levied.

Non-Austrian tax resident investors

Tax treatment of Notes purchased prior to 1 April 2012

Interest income derived from the Notes by investors that are not resident in Austria for tax purposes and do not maintain an Austrian permanent establishment to which such interest is attributable should not be taxable in Austria. If Austrian withholding tax on investment income has been deducted by the coupon - paying agent, the

non-Austrian tax resident investor may reclaim the withholding tax. Non-Austrian tax resident investors may avoid the deduction of the Austrian withholding tax, if the Notes are deposited with an Austrian bank and evidence in writing is forwarded to the bank, confirming, among others, that the investor neither has his tax residence nor his habitual place of abode in Austria. Non-Austrian resident corporations may avoid the deduction of the Austrian withholding tax at source, if the Notes are deposited with an Austrian bank and the evidence in writing is forwarded to the bank, confirming that the corporation is the beneficial owner of the Notes and neither has its statutory seat nor its place of effective management in Austria.

Capital gains derived from the sale of the Notes by non-Austrian resident individuals or corporations having no other relation to Austria except for the mere holding of the Notes (in particular the Notes may not be attributable for Austrian tax purposes to a permanent establishment located in Austria) are not subject to income tax or corporate income tax in Austria.

Tax treatment of Notes purchased on or after 1 April 2012

Pursuant to § 98(5) EStG, interest, capital gains and income from derivatives received under the Notes by a non-resident investor for tax purposes are not subject to Austrian (corporate) income tax unless attributable to an Austrian located permanent establishment. An Austrian paying agent or depository may abstain from levying 25% withholding tax under § 94 (13) EStG.

Austrian EU-Source Tax Act

Under the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz, EU-QuStG*; implementing Directive 2003/48/EC of 3 June 2003), interest paid by an Austrian coupon-paying agent to an individual beneficial owner resident in another EU member state is subject to EU source tax at a rate of currently 35%. Interest within the meaning of the EU-QuStG are, among others, interest paid or credited to an account, relating to debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and, in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures.

An exemption from EU source taxation applies, among others, if the beneficial owner of the interest forwards to the Austrian paying agent documentation issued by the tax office where the tax payer is resident, stating (i) the beneficial owner's name, address and tax identification number (in the absence of a tax identification number the beneficial owner's date and place of birth), (ii) the paying agent's name and address (iii) the beneficial owner's address and account number or the security identification number. Further, EU source tax is not triggered if interest within the meaning of the EU-QuStG is paid to an institution within the meaning of § 4(2) EU-QuStG resident in another EU Member State and this institution agrees upon written request of the Austrian paying agent to enter into a simplified information exchange procedure with the Austrian paying agent. Special rules apply to securities the value of which depends directly on the value of a reference underlying. Distinction must be made between securities providing for capital protection to the investor (guaranteed interest is sufficient to constitute a capital protection within the present context) or not (see Information of the BMF dated 1 August 2005 for details).