



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 PFANDBRIEFE, JUMBO-PFANDBRIEFE AND
COVERED BANK BONDS
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 (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 15 June 2018 (the "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").

The Prospectus was approved on 15 June 2018 by the Commission de Surveillance du Secteur Financier ("CSSF") and published on 15 June 2018 by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Bank Austria (<https://www.bankaustria.at/en/about-us-base-prospectus-dated-15-june-2018.jsp>).

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 the Financial Markets Authority (Finanzmarktaufsicht) ("FMA"), being the competent authority in the Republic of Austria, as well as the competent authority in the Federal Republic of Germany with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Directive. This Supplement has been filed with and approved by the CSSF on the date first above written and has been published on or about such date by making it available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Bank Austria (<https://www.bankaustria.at/en/about-us-base-prospectus-dated-15-june-2018.jsp>).

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 Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

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 two working days after the publication of this Supplement, to withdraw their acceptances. Thus, the last date for such withdrawal is 12 November 2018.

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 restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, 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 or 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 factors (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 is capable of affecting the assessment of the Notes, have arisen:

There have recently been certain developments relating to proceedings in connection with financial sanctions.

Consequently, the following changes to the Prospectus shall be made:

1. On page 15 of the Prospectus, the paragraph under the heading "*D.2 Key risks specific to the Issuer*" beginning with "*Risk of Violation of International Financial Sanctions:*" shall be replaced in its entirety to read as follows:

"Risks with regard to Proceedings in connection with Financial Sanctions: There are risks related to international sanctions with regard to sanctioned countries and to investigations and/or proceedings by the U.S. authorities."

2. On page 35 of the Prospectus, the paragraph under the heading "*D.2 Wesentliche Risiken in Bezug auf die Emittentin*" beginning with "*Risiko der Verletzung von internationalen Finanzsanktionen:*" shall be replaced in its entirety to read as follows:

"Risiken betreffend Angelegenheiten im Zusammenhang mit Finanzsanktionen: Es bestehen Risiken im Zusammenhang mit internationalen Sanktionen mit Blick auf Sanktionen unterliegenden Ländern und Ermittlungen und/oder Verfahren von US-Behörden."

3. On page 49 of the Prospectus, the five paragraphs under the heading "*3.1.10 Risk of violation of international financial sanctions*" shall be replaced in their entirety to read as follows:

"In the past years, violations of U.S. sanctions and certain U.S. dollar payment practices have resulted in certain financial institutions entering into settlements and paying substantial fines and penalties to various US authorities, including the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), the U.S. Department of Justice ("**DOJ**"), the District Attorney for New York County ("**NYDA**"), the U.S. Federal Reserve ("**Fed**") and the New York Department of Financial Services ("**DFS**"). More specifically, in March 2011, UniCredit Bank AG received a subpoena from the NYDA relating to historical transactions involving certain Iranian entities designated by OFAC and their affiliates. In June 2012, the DOJ opened an investigation of OFAC-related compliance by UniCredit Bank AG and its subsidiaries more generally.

In this context, UniCredit Bank AG conducted a voluntary investigation of its U.S. dollar payments practices and its historical compliance with applicable U.S. financial sanctions, in the course of which certain historical non-transparent practices have been identified. In addition, UniCredit Bank Austria AG independently conducted a voluntary investigation of its historical compliance with applicable U.S. financial sanctions and has similarly identified certain historical non-transparent practices. UniCredit S.p.A. has also conducted a voluntary review of its historical compliance with applicable U.S. financial sanctions. Each of these entities is cooperating with the relevant U.S. authorities and remediation activities relating to policies and procedures have commenced and are ongoing. Each Group entity subject to investigations is updating its regulators as appropriate. It is also possible that investigations into historical compliance practices may be extended to other companies within the Group or that new investigations or proceedings may be commenced against UniCredit and/or the Group.

Recent violations of U.S. sanctions and certain U.S. dollar payment practices by other European financial institutions have resulted in those institutions entering into settlements and paying material fines and penalties to various U.S. authorities. The investigations and/or proceedings into certain Group companies could therefore result in the payment of material fines and/or criminal or civil penalties (which at present cannot be quantified).

UniCredit S.p.A., UniCredit Bank AG and UniCredit Bank Austria AG continue settlement discussions with the relevant U.S. authorities to come to a resolution of these matters. Discussions are ongoing and the Group companies have not yet entered into any agreement with these authorities. Therefore, it is not possible to determine the terms and timing of any resolution with any relevant authorities, including what final costs, remediation, payments or other criminal or civil liability may occur in connection with a final resolution. While the timing of any agreement with the various U.S. authorities is currently not determinable, it is possible that settlement discussions with any or all of the Group entities could be completed by end of first quarter 2019.

The investigation costs, remediation required and/or payment or other legal liability incurred in connection with the proceedings could lead to liquidity outflows and could potentially negatively affect UniCredit Group net assets and net results and those of one or more of UniCredit Group subsidiaries. Such an adverse outcome to one or more of the Group entities subject to investigation could have a material adverse effect, also on a reputational basis, on the business, results of operations or financial condition of the Group."

4. On page 323 of the Prospectus, the two paragraphs under the heading "*11.8.3 Financial sanctions matters*" shall be replaced in their entirety to read as follows:

"In the past years, violations of U.S. sanctions and certain U.S. dollar payment practices have resulted in certain financial institutions entering into settlements and paying substantial fines and penalties to various US authorities, including the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), the U.S. Department of Justice ("DOJ"), the District Attorney for New York County ("NYDA"), the U.S. Federal Reserve ("Fed") and the New York Department of Financial Services ("DFS"). More specifically, in March 2011, UniCredit Bank AG received a subpoena from the NYDA relating to historical transactions involving certain Iranian entities designated by OFAC and their affiliates. In June 2012, the DOJ opened an investigation of OFAC-related compliance by UniCredit Bank AG and its subsidiaries more generally.

In this context, UniCredit Bank AG conducted a voluntary investigation of its U.S. dollar payments practices and its historical compliance with applicable U.S. financial sanctions, in the course of which certain historical non-transparent practices have been identified. In addition, UniCredit Bank Austria AG independently conducted a voluntary investigation of its historical compliance with applicable U.S. financial sanctions and has similarly identified certain historical non-transparent practices. UniCredit S.p.A. has also conducted a voluntary review of its historical compliance with applicable U.S. financial sanctions. Each of these entities is cooperating with the relevant U.S. authorities and remediation activities relating to policies and procedures have commenced and are ongoing. Each Group entity subject to investigations is updating its regulators as appropriate. It is also possible that investigations into historical compliance practices may be extended to other companies within the Group or that new investigations or proceedings may be commenced against UniCredit and/or the Group.

Recent violations of U.S. sanctions and certain U.S. dollar payment practices by other European financial institutions have resulted in those institutions entering into settlements and paying material fines and penalties to various U.S. authorities. The investigations and/or proceedings into certain Group companies could therefore result in the payment of material fines and/or criminal or civil penalties (which at present cannot be quantified).

UniCredit S.p.A., UniCredit Bank AG and UniCredit Bank Austria AG continue settlement discussions with the relevant U.S. authorities to come to a resolution of these matters. Discussions are ongoing and the Group companies have not yet entered into any agreement with these authorities. Therefore, it is not possible to determine the terms and timing of any resolution with any relevant authorities, including what final costs, remediation, payments or other criminal or civil liability may occur in connection with a final resolution. While the timing of any agreement with the various U.S. authorities is currently not determinable, it is possible that settlement discussions with any or all of the Group entities could be completed by end of first quarter 2019.

The investigation costs, remediation required and/or payment or other legal liability incurred in connection with the proceedings could lead to liquidity outflows and could potentially negatively affect UniCredit Group net assets and net results and those of one or more of UniCredit Group subsidiaries. Such an adverse outcome to one or more of the Group entities subject to investigation could have a material adverse effect, also on a reputational basis, on the business, results of operations or financial condition of the Group."