



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 18 June 2014 (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 19 August 2014 (the "First Supplement") and the prospectus supplement dated 1 October 2014 (the "Second Supplement", and together with the First Supplement and the Original Prospectus, the "Prospectus").

The Original Prospectus was approved on 18 June 2014 by the Commission de Surveillance du Secteur Financier ("CSSF") and published on 18 June 2014 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 (<http://www.bankaustria.at/en/about-us-investor-relations-information-on-bonds-issues-under-base-prospectuses-base-prospectuses-base-prospectus-dated-18-june-2014.jsp>). The First Supplement was approved on 19 August 2014 by the CSSF and published on 19 August 2014 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 (<http://www.bankaustria.at/en/about-us-investor-relations-information-on-bonds-issues-under-base-prospectuses-base-prospectuses-base-prospectus-dated-18-june-2014.jsp>). The Second Supplement was approved on 1 October 2014 by the CSSF and published on 1 October 2014 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 (<http://www.bankaustria.at/en/about-us-investor-relations-information-on-bonds-issues-under-base-prospectuses-base-prospectuses-base-prospectus-dated-18-june-2014.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 respective competent authorities in each of the United Kingdom and 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 (<http://www.bankaustria.at/en/about-us-investor-relations-information-on-bonds-issues-under-base-prospectuses-base-prospectuses-base-prospectus-dated-18-june-2014.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 2 January 2015.

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) which are capable of affecting the assessment of the Notes as well as other factors relating to the information included in the Prospectus, have arisen:

1. On 23 December 2014, the rating agency Moody's Investors Service Ltd ("Moody's") decided to review UniCredit Bank Austria's ratings for downgrading due to the developments relating to Russia. Consequently, the following changes shall be made:

1.1 On page 5 of the Prospectus, in the third paragraph in Element B.17, the following sentence shall be added:

"On 23 December 2014, Moody's decided to review the Issuer's ratings for downgrading due to the developments relating to Russia."

1.2 On page 20 of the Prospectus, in the third paragraph in Element B.17, the following sentence shall be added:

"Am 23. Dezember 2014 hat Moody's entschieden, die Ratings der Emittentin mit Blick auf eine mögliche Herabstufung aufgrund der Entwicklungen in Russland zu überprüfen."

1.3 On page 278 of the Prospectus under "General Information – 9. Ratings", in the paragraph immediately preceding the table, the following sentence shall be added:

"On 23 December 2014, Moody's decided to review the Issuer's ratings for downgrading due to the developments relating to Russia."

2.1 On 29 December 2014, the rating agency Moody's decided to also review the ratings for Mortgage Covered Bonds and Public Sector Covered Bonds issued by UniCredit Bank Austria for downgrade. Consequently, on page 279 of the Prospectus under "General Information – 9. Ratings", in the paragraph immediately following the table, the following sentence shall be added in the first paragraph before the last sentence:

"On 29 December 2014, Moody's decided to review the ratings of Mortgage Covered Bonds (*Hypothekendarlehen*) and Public Sector Covered Bonds (*Öffentliche Darlehen*) issued by UniCredit Bank Austria for downgrade due to a review of the issuer rating of UniCredit Bank Austria."

2.2 Furthermore, the following sentence shall be inserted on page 279 of the Prospectus under "General Information – 9. Ratings", before the last sentence of the paragraph immediately following the table:

"Moody's review for downgrade of the ratings of Mortgage Covered Bonds (*Hypothekendarlehen*) and Public Sector Covered Bonds (*Öffentliche Darlehen*) issued by UniCredit Bank Austria referred to in the first sentence of this paragraph could also impact the contractual undertaking entered into by the Issuer with respect to such Mortgage Covered Bonds (*Hypothekendarlehen*) and Public Sector Covered Bonds (*Öffentliche Darlehen*)."

3.1 On page 35 of the Prospectus, the fifth paragraph shall be replaced in its entirety to read as follows:

"On 15 April 2014, the Council of the European Union and on 6 May 2014, the European Parliament adopted a directive establishing a framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU - the "BRRD"). According to Art 130 BRRD, Member States are required to transpose the BRRD into national law and apply the respective provisions from 1 January 2015, save for Section 5 Chapter IV of Title IV BRRD (*i.e.* the provisions on the "bail-in tool"), which shall be transposed and applied until 1 January 2016 "at the latest". However, the Austrian legislator has decided to transpose and apply Section 5 Chapter IV of Title IV BRRD as of 1 January 2015 along with the remaining provisions of the BRRD. As a consequence, the entire BRRD will be effective in Austria as of 1 January 2015 by way of the Bank Restructuring and Resolution Act (Bankensanierungs- und Abwicklungsgesetz – "BaSAG")."

The BRRD requires credit institutions and resolution authorities in the European Union to establish recovery and resolution plans on how to deal with situations which might lead to financial stress or the failure of a bank. Moreover, the BRRD also enables the national competent authorities to take preventive measures to avoid a financial crisis. Furthermore, if the financial situation of a particular credit institution worsens to the point that its continued viability is threatened, the BRRD also provides for loss participation on the part of the shareholders and noteholders of such credit institution.

Also on 15 April 2014, the European Parliament agreed upon the Single Resolution Mechanism Regulation (the "SRM Regulation") to complement the SSM Regulation. The SRM Regulation will partially take effect on 1 January 2015 in the Participating Member States and will be supplemented by an inter-governmental agreement between the Participating Member States regarding particular aspects of the Single Resolution Fund (the "SRF"). The SRM Regulation generally includes the same rules for the resolution of credit institutions as contained in the BRRD and in particular provides for the establishment of the SRF, which is to be funded by the credit institutions in the Participating Member States. Bail-in regulations as contained in the SRM Regulation will be applicable as of 2016, including with respect to instruments issued prior to 2016."

3.2 Furthermore, on pages 35 / 36 of the Prospectus, the sixth paragraph on page 35 and the first paragraph on page 36 respectively shall be replaced in their entirety to read as follows:

"Aiming at the stabilisation of the Austrian financial market and at preventing the use of public funds for rescuing credit institutions, the Austrian Parliament has already implemented certain aspects of the BRRD by way of the Bank Intervention and Restructuring Act (Bankinterventions- und Restrukturierungsgesetz – "BIRG"), which took effect on 1 January 2014. The BIRG anticipates parts of the draft BRRD, in particular by obliging Austrian credit institutions to take precautions for crisis scenarios by preparing recovery and resolution plans and providing for a legal basis for an intervention of the regulator prior to manifest infringements of law or endangerments of creditors' interests (early intervention measures) to be applied in case of a significant deterioration of the assets, earnings, liquidity or funding position of a bank.

With the BaSAG entering into force on 1 January 2015, the BIRG is going to expire as of the end of 31 December 2014."

3.3 Furthermore, on page 43 of the Prospectus, the second paragraph shall be replaced in its entirety to read as follows:

"On 15 April 2014, the Council of the European Union and on 6 May 2014, the European Parliament adopted the BRRD, that provides national authorities with common powers and instruments to pre-empt bank crises and resolve credit institutions in an orderly manner in the event of failure, while preserving essential bank operations and minimising taxpayers' exposure to losses. BRRD establishes a range of instruments to tackle potential crises at three stages: preparatory and preventative, early intervention and resolution. Banks will have to draw up recovery plans and update them annually, setting out the measures they would take to restore their financial position in the event of significant deterioration. Resolution authorities will have to prepare resolution plans for banks laying out the actions they might take if a bank were to meet the conditions for resolution. Banks will have to make ex-ante contributions to national resolution funds."

3.4 Furthermore, on page 44 of the Prospectus, the fifth paragraph shall be replaced in its entirety to read as follows:

"Member States must adopt the national laws, regulations and administrative provisions required under the BRRD by 31 December 2014, with such provisions taking effect as of 1 January 2015, although the provisions regarding the bail-in powers may take effect as late as 1 January 2016. However, the Austrian Parliament decided to implement all the provisions of the BRRD effective as of 1 January 2015. In an effort to stabilize the Austrian financial markets and to prevent the use of public funds to rescue credit institutions, the Austrian Parliament adopted the Bank Intervention and Restructuring Act (Bankeninterventions – und Restrukturierungsgesetz – "BIRG"), which took effect on 1 January 2014 and which implements certain aspects of the BRRD, notably the requirement that credit institutions develop recovery and resolution plans to prepare for financial crises. With the national transposition of the BRRD entering into force on 1 January 2015, the BIRG is going to expire as of the end of 31 December 2014."

4.1 On page 26 of the Prospectus, the following paragraph shall be inserted after the second paragraph and before the heading ("*Verstärkte Regulierung und Beeinflussung durch die öffentliche Hand*") of the third paragraph in Element D.2:

"Risiko der Verletzung von internationalen Finanzsanktionen

Die Emittentin ist zur Beachtung und Einhaltung internationaler Finanzsanktionen verpflichtet oder angehalten, deren Einhaltung aufgrund der geopolitischen Situation von den zuständigen Behörden besonders streng überwacht wird. Die Emittentin führt derzeit eine freiwillige Untersuchung in Abstimmung mit bestimmten US-Behörden im Zusammenhang mit der Einhaltung von Sanktionen in der Vergangenheit durch. Auch wenn es derzeit nicht möglich ist, Form, Ausmaß, Umfang und Zeitpunkt einer Entscheidung der US-Behörden vorherzusagen, könnten sich erhebliche Zahlungspflichten, Haftungen oder sonstige vermögenswerte Nachteile für die Emittentin ergeben."

4.2 Furthermore, on page 10 of the Prospectus, the following paragraph shall be inserted after the second paragraph and before the heading ("*Increased Regulation and public sector influence*") of the third paragraph in Element D.2:

"Risk of Violation of International Financial Sanctions

The Issuer is obliged or encouraged to observe and comply with international financial sanctions; compliance with such sanctions is – due to the geopolitical situation – monitored by the relevant authorities particularly strictly. Currently the Issuer conducts a voluntary investigation in consultation with certain US authorities regarding compliance with sanctions in the past. Although it is currently not possible to predict the form, extent, scope or time of a decision of the US authorities, significant payment obligations, liabilities or other asset-related disadvantages of the Issuer could result."

5. On page 36 of the Prospectus, the following paragraph shall be inserted after the fifth paragraph and before the heading "*Risk of suspension, downgrade or withdrawal of rating*":

"Risk of Violation of International Financial Sanctions

As a nationally and internationally active credit institution, the Issuer is obliged or encouraged to observe and comply with international financial sanctions. Such financial sanctions, like freezing of funds of sanctioned persons, may be imposed by the United Nations or the European Union but also by national authorities relevant for the Issuer, such as the US Treasury Department's Office of Foreign Assets Control ("OFAC"). They are, in particular, intended to fight the financing of terrorism or to enforce country-specific sanctions.

Due to the geopolitical situation compliance with sanctions is monitored particularly strictly by authorities all over the world. There is a risk that authorities might consider the Issuer's systems and procedures in place as inappropriate or inadequate or might assess the compliance with financial sanctions as insufficient.

Currently the Issuer conducts a voluntary investigation in consultation with US authorities, in particular with the US Department of Justice ("DOJ"), the District Attorney of New York ("DANY") and with OFAC regarding the compliance with OFAC sanctions in the past. The Issuer cooperates with OFAC, DOJ and DANY and keeps other competent authorities informed on the status of the investigations. It cannot be ruled out that comparable investigations shall be conducted at subsidiaries of the Issuer.

Although it is currently not possible to predict the form, the extent or the scope or the point in time of a decision of the US authorities, significant payment obligations, liabilities or other asset-related disadvantages of the Issuer could have a material adverse effect on Bank Austria Group's liquidity, assets or net results.

In recent years, alleged violations of US sanctions have – depending on the particular circumstances of each case – led to significant payments of fines, penalties or settlement payments by certain financial institutions to US authorities."

6. On page 256 et seq. of the Prospectus, the three paragraphs of the chapter "Non-Austrian tax resident investors" shall be replaced in its entirety to read as follows:

"Income from capital including interest and any capital gain derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria or by corporate investors who do not have their corporate seat or their place of management in Austria is basically not taxable in Austria provided that the income is not attributable to an Austrian permanent establishment. An Austrian paying agent or depository may abstain from levying 25% withholding tax under § 94(5) and (13) EStG.

As of 1 January 2015, limited Austrian tax liability will be extended to interest within the meaning of the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz, EU-QuStG*; implementing Directive 2003/48/EC of 3 June 2003) received by a recipient not covered by EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (EU Savings Directive). As a consequence, in particular, non-EU-resident individuals and certain non-resident entities (e.g. if qualified as partnerships for Austrian tax purposes and having at least one non-resident individual as partner) may be subject to such limited tax liability. It is a prerequisite that the obligation to levy 25% Austrian withholding tax is triggered. This is the case if interest is paid by a paying agent located in Austria or by the issuer of the notes if paid directly to the investor. Interest on claims entered into a public debt registry are exempt from limited Austrian tax liability and from withholding tax, even if the interest is paid by an Austrian paying agent.

Where non-residents receive income from the Notes as part of business income taxable in Austria (e.g. permanent establishment), they will, in general, be subject to the same tax treatment as resident investors."

7. On page 246 of the Prospectus, the fourth paragraph ("*Austrian civil proceedings*") shall be replaced in its entirety to read as follows:

"Austrian civil proceedings: Numerous civil proceedings (with the claimed amount totaling about €128 million) have been initiated in Austria by numerous investors related to Madoff's fraud in which Bank Austria, among others, has been named as defendant; different types of claims are asserted, including prospectus liability claims. The plaintiffs invested in investment funds that, in turn, invested directly or indirectly with BMIS. Several judgments have been issued in favour of Bank Austria in various instances, some are already legally binding. Other judgments have been handed down against Bank Austria, but none of them is final so far as appeals are pending. With respect to those cases currently on appeal no estimate can be made as to their potential outcomes or the effects, if any, which the appeal decisions may have on other cases pending against Bank Austria. In seven Supreme Court cases, different senates of the Austrian Supreme Court have held in favour of Bank Austria and rejected claims based on various theories of liability and related to prospectus liability. At this stage, it is not possible to forecast what effect these decisions may have on other cases."

Furthermore, on page 246 et seq. of the Prospectus, the first two sub-sections "*Purported class actions*" and "*Claims by SIPA Trustee*" of the section "*Proceedings in the United States*" shall be replaced in their entirety to read as follows:

"Proceedings in the United States

Purported class actions

Bank Austria, UniCredit S.p.A., Pioneer Alternative Investments ("PAI") and Pioneer Global Asset Management S.p.A. ("PGAM"), a UniCredit S.p.A. subsidiary, were named among some 70 defendants in one or more of three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the "Southern District") between January and March 2009, purporting respectively to represent investors in three investment fund groups (the "Herald" funds, the "Primeo" and the "Thema" funds) which were invested, either directly or indirectly, in BLMIS. It was principally alleged that the defendants breached common law duties misrepresenting the monitoring that would be done of Madoff and plaintiffs' investments, and disregarding purported "red flags" of Madoff's fraud, failing to exercise due care in connection with the plaintiffs' investments, and, in the Herald case, that the defendants, including Bank Austria, violated the United States Racketeer Influenced and Corrupt Organizations Act ("RICO"), causing the class some US\$2 billion in damages, which plaintiffs sought to treble under RICO. Plaintiffs sought damages in unspecified amounts (other than under RICO, as noted above) and other relief.

On 29 November 2011, the Southern District dismissed all three purported class action complaints on grounds, with respect to Bank Austria, UniCredit S.p.A., PGAM and PAI, that the United States is not the most convenient forum for resolution of plaintiffs' claims. On 16 September 2013, the United States Court of Appeals for the Second Circuit (the "Second Circuit") affirmed the dismissal of the cases brought by the Thema and Herald investors (the Primeo litigants did not appeal and agreed to follow the results of Herald appeal). On 30 September 2013, the plaintiffs in the Thema and in the Herald actions requested that the decision to affirm the dismissal be reheard by the same panel (a "panel rehearing") or reviewed by the plenary court ("a rehearing en banc"). On 28 May, 2014, the panel that heard the original appeal denied plaintiffs' request for a panel rehearing. On 30 July 2014, the Second Circuit denied plaintiff's request for rehearing en banc. On 17 December 2014, plaintiff in the Herald action filed a petition for certiorari with the United States Supreme Court.

Claims by the SIPA Trustee

In December 2010, the SIPA Trustee filed two cases (the "HSBC" and the "Kohn" case, respectively) in the United States Bankruptcy Court in the Southern District of New York (the "Bankruptcy Court") against several dozen defendants. Both cases were later removed to the non-bankruptcy federal trial court, i.e., the Southern District.

In the HSBC case, the SIPA Trustee sought to recover from some 60 defendants, including Bank Austria, UniCredit S.p.A., BAWFM, PAI, certain current or formerly affiliated persons, and Bank Medici amounts to be determined at trial, allegedly representing so-called avoidable transfers to initial transferees of funds from BLMIS, subsequent transfers of funds originating from BLMIS (including alleged management, performance, advisory, administrative and marketing fees, said to exceed US\$400 million in aggregate for all defendants), and compensatory and punitive damages against certain defendants on a joint and several basis, including the abovementioned, alleged to be in excess of US\$2 billion. In addition to avoidable transfers, the SIPA Trustee sought to recover in the HSBC case unspecified amounts (said to exceed several billion dollars) for common law

claims, including aiding and abetting BLMIS's breach of fiduciary duty and BLMIS's fraud, and contribution. The common law and contribution claims were dismissed on 28 July 2011, while certain claims (primarily avoidance claims) remained pending in the Bankruptcy Court. On 20 June 2013 the Second Circuit affirmed the Southern District's dismissal. On 9 October 2013, the SIPA Trustee petitioned the United States Supreme Court ("Supreme Court") to review the decision by the Second Circuit. The Supreme Court denied the SIPA Trustee's petition on 30 June 2014.

In the Kohn case, the SIPA Trustee sought to recover from more than 70 defendants, including Bank Austria, UniCredit S.p.A., PGAM, BAWFM, Bank Austria Cayman Islands, certain current or formerly affiliated persons, and Bank Medici unspecified avoidable transfers from Bank Austria as initial transferee from BLMIS, and from Bank Austria, UniCredit S.p.A., and other affiliated individual defendants as subsequent transferees of funds likewise originating from BLMIS. The complaint further asserted common law claims and RICO violations, and sought under RICO three times the reported net US\$19.6 billion losses allegedly suffered by all BLMIS investors, as well as fees received, compensatory, exemplary and punitive damages, and costs of suit as against the defendants on a joint and several basis. On 21 February 2012, the Southern District dismissed the RICO and common law claims in respect of Bank Austria, UniCredit S.p.A., PGAM, and the former CEO of UniCredit (who had also been named as a defendant). Certain claims (primarily avoidance claims) remain pending in the Bankruptcy Court. On 21 March 2012, the SIPA Trustee appealed the Southern District's dismissal of the RICO and common law claims to the Second Circuit. On 15 May 2014, the SIPA Trustee procedurally withdrew his appeal to the Second Circuit, but reserved the right to reinstate the appeal when the remainder of the case concludes in the lower court. On November 26, 2014, the SIPA Trustee filed a Notice of Voluntary Dismissal Without Prejudice in which the Trustee withdrew all claims against Bank Austria, UniCredit S.p.A, and other affiliated individual defendants in the Kohn case.

On 6 June 2014, the Southern District ruled at the request of a number of defendants, including Bank Austria, UniCredit, PGAM and PAI, that avoidance claims based on subsequent transfers made abroad between a foreign transferor and a foreign transferee could not be maintained because the provisions of the United States law on which the SIPA Trustee relied may not be applied extraterritorially. The Southern District directed that the proceedings be returned to the Bankruptcy Court so that this ruling could be applied to all relevant cases, including the HSBC and Kohn cases.

The current or formerly affiliated persons named as defendants in the HSBC and Kohn cases, who had not been previously served, have now been served. These current or formerly affiliated persons may have similar defences to the claims as Bank Austria and its affiliated entities, and may have rights to indemnification from those parties.

Claims by SPV Optimal SUS Ltd.

On December 10, 2014, SPV Optimal SUS Ltd. ("SPV") filed a complaint (the "Federal Complaint") in the federal district court in New York, New York against several dozen defendants – including UniCredit S.p.A., Bank Austria, BA Worldwide Fund Management Ltd, PGAM, and Pioneer Alternative Investment Management, Ltd. (PAIML) -- asserting against all defendants four common law claims for: (1) aiding and abetting Madoff's breach of fiduciary duty to his investors, (2) aiding and abetting Madoff's fraud, (3) aiding and abetting Madoff's conversion (i.e. misappropriation) of funds, and (4) knowing participation in Madoff's breach of trust. SPV seeks damages in an unspecified amount.

On December 11, 2014, SPV (now known as SPV OSUS Ltd.) filed a second complaint (the "State Complaint") in the Supreme Court for New York County, New York against the same defendants named in the Federal Complaint, asserting the same claims and seeking likewise unspecified damages."