



## **Österreichische Volksbanken-Aktiengesellschaft**

*(incorporated as a stock corporation in the Republic of Austria)*

### **Prospectus Supplement relating to the € 2,000,000,000 Credit Linked Notes Programme**

This supplement (the **Supplement**) constitutes a prospectus supplement pursuant to Art 16 (1) of the Directive 2003/71/EC (the **Prospectus Directive**) and sec 6 of the Austrian Capital Markets Act (*Kapitalmarktgesetz*) (the **Act**) and is supplemental to, and should be read in conjunction with, the prospectus dated 03 September 2008 (the **Original Prospectus**, and together with this Supplement, the **Prospectus**) relating to the € 2,000,000,000 Credit Linked Notes Programme (the **Programme**) of Österreichische Volksbanken-Aktiengesellschaft (the **Issuer**).

The Original Prospectus was approved on 03 September 2008 by the Austrian Financial Market Authority (Job No: 2008-0425) and published on 03 September 2008 by making it available in printed form, free of charge, to the public at the registered office of the Issuer and the internet homepage of the Issuer. A notice about the way of publication and where the Original Prospectus could be obtained was published on 06 September 2008 in the *Amtsblatt zur Wiener Zeitung*.

This Supplement has been filed for approval with the Austrian *Finanzmarktaufsichtsbehörde* (the **FMA**) in its capacity as competent authority under the Act and has been filed with the Filing Office (*Meldestelle*) at Oesterreichische Kontrollbank Aktiengesellschaft in accordance with the Act. This Supplement has also been filed with the Wiener Börse AG (the **Vienna Stock Exchange**) which has admitted the notes under the Prospectus (the **Notes**) to the Official Market (*Amtlicher Handel*) and the Second Regulated Market (*Geregelter Freiverkehr*). This Supplement has been published by making it available in printed form, free of charge, to the public at the registered office of the Issuer, Kolingasse 19, 1090 Vienna, Austria.

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

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

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

**In accordance with Art 16 of the Prospectus Directive and sec 6 of the Act, investors who have agreed to purchase or subscribe for Notes after the occurrence of the significant new factor to which this Supplement relates to but before the publication of this Supplement have a right to withdraw their acceptances within two banking days after the date of publication of this Supplement. In case investors are consumers in the sense of sec 1 para 1 No 2 of the Austrian Consumer Protection Act (*Konsumentenschutzgesetz*), the period for a withdrawal of their acceptances is one week after the day on which this Supplement has been published.**

This Supplement does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933.

*The Issuer accepts responsibility for the information contained in this Supplement and confirms that it has taken all reasonable care to ensure that the information contained in the Supplement is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.*

*No person is or 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. 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 Group since the date hereof or the date upon which the Original Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which the Original Prospectus has been most recently amended or supplemented 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 to inform themselves about, and to observe, any such restriction(s). For a description of certain restrictions on offers and sales of Notes and on the distribution of this Supplement, see "Selling Restrictions" of the Original Prospectus.*

## **1. Significant new factors**

On 31 October 2008 the first supplement to the Issuer's EUR 7,000,000,000 Debt Issuance Programme Prospectus dated 9 June 2008 (the *DIP Prospectus*) and on 13 November 2008 the second supplement (the *Second DIP Supplement*) to its DIP Prospectus have been approved by the FMA, after having been published by the Issuer (together the *DIP Supplements*).

The DIP Supplements contain new factors (as referred to in Art 16 (1) of the Prospectus Directive and sec 6 of the Act) relating to the information included in the Original Prospectus which are capable of affecting the assessment of the Notes. The Original Prospectus is therefore amended and supplemented as follows:

### ***1.1 Disclosure for the Issuer***

The DIP Supplements changed and supplemented the information contained in chapter "3. Description of the Issuer" of the DIP Prospectus, which was partially incorporated by reference into Part I "Disclosure for the Issuer" of the Original Prospectus.

The information contained in the DIP Supplements is hereby incorporated into the chapter "Disclosure for the Issuer" of the Original Prospectus, and the references contained in this chapter of the Original Prospectus to the DIP Prospectus are hereby updated to constitute references to the DIP Prospectus as amended and supplemented by the DIP Supplements. For a complete updated version of chapter "3. Description of the Issuer" of the DIP Prospectus, which consolidated the changes/supplements made by the DIP Supplements, please see Annex 1 "Consolidated Issuer Description" of the Second DIP Supplement.

The following changes/supplements are therefore made to Part I "Disclosure for the Issuer" in the Original Prospectus:

**(a)** „4.1.5. Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency" on page 44 of the Original Prospectus:

The reference to pages 38 and 39 of the DIP Prospectus is replaced by reference to pages 1 and 2 of Annex 1 of the Second DIP Supplement.

**(b)** „5.1.1. A description of the Issuer's principal activities" on page 44 of the Original Prospectus:

The reference to pages 19 and 39 to 41 of the DIP Prospectus is replaced by reference to pages 2 to 4 of Annex 1 of the Second DIP Supplement.

**(c)** „5.1.3. Principal markets" on page 44 of the Original Prospectus:

The reference to page 46 of the DIP Prospectus is replaced by reference to page 9 of Annex 1 of the Second DIP Supplement.

**(d)** „6.1. Organisational structure – Group structure" on page 44 of the Original Prospectus:

The reference to pages 47 and 48 of the DIP Prospectus is replaced by reference to pages 9 and 10 of Annex 1 of the Second DIP Supplement.

**(e)** „7.1. Trend information - No material adverse change" on page 45 of the Original Prospectus:

The reference to page 49 of the DIP Prospectus is replaced by reference to page 11 of Annex 1 of the Second DIP Supplement.

**(f)** „7.2. Trend information - Information on known trends for the current financial year" on page 45 of the Original Prospectus:

The reference to page 49 of the DIP Prospectus is replaced by reference to pages 11 and 12 of Annex 1 of the Second DIP Supplement.

**(g)** „11.7. Significant change in the Issuer's financial or trading position” on page 56 of the Original Prospectus:

The reference to page 66 of the DIP Prospectus is replaced by reference to page 27 of Annex 1 of the Second DIP Supplement.

### ***1.2 Summary of the Programme***

The following changes/supplements are therefore made to the chapter “Summary of the Programme – Summary regarding the issuer” of the Original Prospectus:

**(a)** The following paragraph is added at the end of the chapter below the heading "Summary of the Programme - Summary regarding the Issuer – Financial Information" on page 20 of the Original Prospectus:

*“On 3 November 2008 the Issuer, Kommunalkredit and the Republic of Austria jointly announced that the Republic of Austria has agreed to purchase all of the Issuer’s shares in Kommunalkredit for a total price of EUR 1.00. In addition, the Issuer has agreed to subscribe for participation capital (Partizipationskapital, a form of capital which counts as tier 1 capital for bank regulatory purposes) of Kommunalkredit in the total amount of EUR 172,500,000, bearing a dividend of 8% p.a. which is conditional upon sufficient available annual profits of Kommunalkredit. The participation capital is perpetual and may be repaid by Kommunalkredit only in accordance with the procedure relating to a share capital reduction or a redemption of the participation capital pursuant to the Austrian Banking Act, but in any event not earlier than within five years after the issue of the participation capital. In addition, the Issuer will provide standard representations and warranties limited in the amount of EUR 100,000,000 and limited in time related to past contingent liabilities. The Kommunalkredit shares of 49.16 percent in Dexia Kommunalkredit Bank will be sold to Dexia for EUR 1.00. As a consequence of the disposal of the shares in Kommunalkredit, the Issuer is currently evaluating its business policy with respect to public finance. As of 30 June 2008, the Issuer’s unaudited aggregate balance sheet sum amounted to approximately EUR 87,709,107,000 of which EUR 34,534,532,000 were attributable to Kommunalkredit. For further details please refer to "7.1. Trend information".”*

**(b)** The first paragraph below the heading "Summary of the Programme - Summary regarding the Issuer – Business Overview" on page 20 of the Original Prospectus is supplemented by the following sentence:

*“As a consequence of the Issuer's disposal of its shares in Kommunalkredit (see above), Cyprus will cease to be a principal market.”*

**(c)** The last sentence of the last paragraph below the heading "Summary of the Programme - Summary regarding the Issuer – Business Overview" on page 21 of the Original Prospectus is supplemented by the following sentence:

*“The Issuer is currently evaluating its business policy with respect to public finance due to the sale of its shares in Kommunalkredit; please refer to "3. Description of the Issuer – Business history and business development of VBAG - Recent developments" of the EUR 7 bn Debt Issuance Programme Prospectus of VBAG.”*

### ***1.3 List of items incorporated by reference***

The table below the heading "List of items incorporated by reference" on pages 76 and 77 of the Original Prospectus is replaced by the following table:

<b>Annex</b>	<b>Subject</b>	<b>Reference</b>
XI 2.1	Names and addresses of the Issuer's auditors	page 403 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 4.1.1	Legal and commercial name of the Issuer	pages 1, 18 and 38 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 4.1.2	Place of registration of the Issuer and its registration number	pages 18 and 38 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 4.1.3	Date of incorporation of the Issuer	pages 18 and 38 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 4.1.4	Registered office and the legal form of the Issuer	pages 18 and 38 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 4.1.5	Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	pages 1 and 2 of Annex 1 of the Second DIP Supplement
XI 5.1.1	Description of the Issuer's principal activities	pages 2 to 4 of Annex 1 of the Second DIP Supplement
XI 5.1.3	Principal markets	page 9 of Annex 1 of the Second DIP Supplement
XI 5.1.4	Basis for statements on the competitive position in the Prospectus	page 9 of Annex 1 of the Second DIP Supplement
XI 6.1	Group structure	pages 9 and 10 of Annex 1 of the Second DIP Supplement
XI 7.1	No material adverse change	page 11 of Annex 1 of the Second DIP Supplement
XI 7.2	Information on known trends for the current financial year	pages 11 and 12 of Annex 1 of the Second DIP Supplement
XI 8	Profit forecasts or estimates	page 49 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 10.1	Participation and control relationships	page 60 of the EUR 7 bn Debt Issuance Programme Prospectus

<b>Annex</b>	<b>Subject</b>	<b>Reference</b>
XI 11.1	Historical financial information	pages 19 and 61 to 66 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 11.2	Financial statements	pages 19 and 61 to 66 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 11.3.1	Statement about the audit	pages 4, 66 and 397 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 11.4	Age of latest financial information	pages 4 and 397 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 11.6	Legal and arbitration proceedings	page 66 and 67 of the EUR 7 bn Debt Issuance Programme Prospectus
XI 11.7	Significant change in the Issuer's financial or trading position	page 27 of Annex 1 of the Second DIP Supplement

## **2. Further information**

The DIP Supplements further contain information which is not significant in the meaning of the Prospectus Directive (ie which is not capable of affecting significantly the assessment of the Notes and therefore does not require a supplement) but which could be useful to investors. All such information contained in the DIP Supplements is hereby incorporated into the Original Prospectus, and the references in the Original Prospectus to the DIP Prospectus are hereby updated to be references to the DIP Prospectus as amended and supplemented by the DIP Supplements.

5.1.4. Basis for statements on the competitive position in this Prospectus” on page 44 of the Original Prospectus:

The reference to page 46 of the DIP Prospectus is replaced by reference to page 9 of Annex 1 of the Second DIP Supplement.

## STATEMENTS PURSUANT TO COMMISSION REGULATION (EC) NO 809/2004

Österreichische Volksbanken-Aktiengesellschaft, with its corporate seat in Vienna, Austria, is responsible for the information in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement and in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Vienna, 13 November 2008

Österreichische Volksbanken-Aktiengesellschaft  
as Issuer

Manfred Kunert

Member of the Managing Board

(with collective signing authority)

Heimo Rottensteiner

Head of Funding

(as a „Prokurist“ with collective signing authority)

**HEAD OFFICE**

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as to Austrian law

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