



## **Österreichische Volksbanken-Aktiengesellschaft**

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

### **Prospectus Supplement No. 1 relating to the € 10,000,000,000 Debt Issuance Programme**

This supplement (the *Supplement*) constitutes a prospectus supplement pursuant to Art 16 (1) of 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 8 June 2009 (the *Original Prospectus*, and together with this Supplement, the *Prospectus*) relating to the € 10,000,000,000 Debt Issuance Programme (the *Programme*) of Österreichische Volksbanken-Aktiengesellschaft (the *Issuer*).

The Original Prospectus was approved on 8 June 2009 by the Austrian Financial Market Authority (the *FMA*) (Job No: 2009-0262) and published on 8 June 2009 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 9 June 2009 in the *Amtsblatt zur Wiener Zeitung*. This Supplement has been filed for approval with 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*) and with the Baden-Württembergische Wertpapierbörse (EUWAX), which has admitted the Notes under the Programme to its regulated market. 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. A notice about the way of publication and where this Supplement can be obtained will be published on or about 28.07.2009 in the *Amtsblatt zur Wiener Zeitung*.

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 any of the Issuer, the Dealers or the Arrangers 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 this section (1) of 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. 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 the Arranger (other than 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 since the date hereof or the date upon which this Supplement has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Supplement 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, 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 Original Prospectus.*

*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.*

*The Dealers and the Arranger (other than the Issuer) have not separately verified the information contained in this Supplement. None of the Dealers or the Arranger (other than the Issuer) 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 Supplement should be based upon any such investigation as it deems necessary. None of the Dealers or the Arranger (other than the Issuer) undertakes to review the financial condition or affairs of the Issuer 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 (other than the Issuer).*

## **1. Significant new factors**

Significant 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, have arisen and the following changes / supplements are herewith made to the Original Prospectus:

On 24.07.2009 Moody's Investors Service, Inc. published a credit opinion relating to the Issuer and its subsidiary Investkredit. The following paragraph is therefore added at the end of the chapter "Description of the Issuer – Business history and business development of VBAG – Recent developments" on page 41 of the Original Prospectus:

*"On 24.07.2009 Moody's Investors Service, Inc. (Moody's) published a credit opinion whereby the long term senior debt and deposit ratings of the Issuer were downgraded from Aa3 to Baa1, the subordinated liabilities from A1 to Baa2, the short term rating from P-1 to P-2 and the bank financial strength rating from C- to E+.*

*The rated Upper Tier 2 securities ("Ergänzungskapitalanleihen") were downgraded from A1 to Caa2.*

*The debt and deposit ratings of Investkredit, a fully consolidated subsidiary of the Issuer, were downgraded from A1 to Baa2, the rating for the subordinated liabilities from A2 to Baa3, the short term rating from P-1 to P-2 and the bank financial strength rating from C- to E+.*

*This credit opinion for the Issuer may also affect Notes or tranches of Notes which have been or will be rated separately.*

*On 27.07.2009 the Issuer also announced that interest and remuneration payments on its instruments and the instruments of Investkredit which depend on a positive result for the business year 2009 (such as shares, hybrid capital, participation capital and upper tier 2 instruments) will almost certainly not be made since neither the Issuer nor Investkredit expect a positive result for 2009."*

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

## **2. Further Information**

The following information, which is not significant within the Prospectus Directive meaning (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, is announced:

On 30 June 2009 two members of the management board, Manfred Kunert and Wilfried Stadler, resigned from the management board. No successors were appointed. The number of board members was hence reduced from six to four directors. Therefore the name of Manfred KUNERT and his activities outside VBAG on pages 55 and 56 of the Original Prospectus as well as the name of Wilfried STADLER and his activities outside VBAG on page 57 of the Original Prospectus are deleted in chapter 3. 6 "Administrative, Management, and Supervisory Bodies – Members of the administrative, management and supervisory bodies".

**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, 27 July 2009

Österreichische Volksbanken-Aktiengesellschaft  
as Issuer

**Manfred Wiebogen**

Head of International Markets

(as a "Prokurist" with collective signing authority)

**Gerald Kauschitz**

Head of Asset Liability Management

(as a "Prokurist" with collective signing authority)