



## Österreichische Volksbanken- Aktiengesellschaft

(a stock corporation under the laws of Austria, registered number FN 116476 p)

### Prospectus Supplement No. 1 relating to the € 10,000,000,000 Debt Issuance Programme dated 31 May 2011

This Prospectus supplement (the *Supplement*) constitutes a Supplement pursuant to Art 16 of Directive 2003/71/EC (the *Prospectus Directive*) and section 6 of the Austrian Capital Markets Act (*Kapitalmarktgesetz*) and is supplemental to, and should be read in conjunction with, the prospectus dated 31 May 2011 (the *Original Prospectus* and together with the Supplements No 1 and the Original Prospectus 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 31 May 2011 by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the *FMA*) and published by making it available in printed form, free of charge, to the public at the registered office of the Issuer and on the website of the Issuer ([www.volksbank.com/prospekt](http://www.volksbank.com/prospekt)). A notice about the publication and where the Prospectus can be obtained was published in the *Amtsblatt zur Wiener Zeitung* on 31 May 2011.

This Supplement has been filed for approval with the FMA in its capacity as competent authority under the Austrian Capital Markets Act on 18 July 2011. The Issuer has requested the FMA to provide the competent authorities of Germany, the Czech Republic, the Slovak Republic, Slovenia, Hungary, and Romania notifications concerning the approval of this Supplement. 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 and on the website of the Issuer ([www.volksbank.com/prospekt](http://www.volksbank.com/prospekt)).

Terms defined in the Original Prospectus shall have the same meaning when used in the Supplement, if there is no indication to the contrary.

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 any statement in this Supplement and any other statement in or contemplated by reference in the Prospectus, the statements in this Supplement will prevail.

In accordance with Art 16 of the Prospectus Directive and section 6 of the Austrian Capital Markets Act, investors who have agreed to purchase or subscribe for Notes (as defined in the Prospectus) after the occurrence of the significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus 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 section 1 paragraph 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 has been approved by the FMA in its capacity as competent authority under the Capital Markets Act. The accuracy of the information contained in this Supplement does not fall within the scope of examination by the FMA under applicable Austrian law. The FMA examines the Supplement only in respect of its completeness, coherence and comprehensibility pursuant to section 8a of the Capital Markets Act.

Arranger  
DZ BANK AG  
Dealers

VBAG

DZ BANK AG

*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).*

*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 "7. 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 (e.g. financial analyses) 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).*

### **Significant new factors**

Since the date of the Original Prospectus, the Issuer has become aware of significant new factors which are capable of affecting the assessment of the Notes. Therefore, the following changes are made to the Original Prospectus:

#### **1. Description of the Issuer - Recent Developments (pages 53 and 54)**

On pages 53 and 54 of the Original Prospectus under the heading “Recent Developments” the last sentence starting with “EU-Stress-Testing...” is replaced by following wording:

##### European bank stress test:

VBAG participated in the EU-wide bank stress test conducted by the European Banking Authority (EBA). EBA published the results of the stress test on 15 July 2011 as follows: VBAG’s unstressed baseline core tier I ratio as of 31 December 2010 is 6.4%. Simulating a worst case scenario the core tier I ratio would be 4.5% as of 31 December 2012 which is 0.5% below the benchmark defined by EBA. Taking into account the measures that are currently being implemented the core tier I ratio as of 31 December 2012 is 6.6%. Considering the fully loss-absorbing capital according to the Austrian Banking Act the tier I ratio amounts to 9.8%.

#### **2. Description of the Issuer - Recent Developments (pages 53 and 54)**

On pages 53 and 54 of the Original Prospectus under the heading “Recent Developments” the last sentence of the paragraph starting with “In accordance with its Strategy 2015...” is replaced by following wording:

Österreichische Volksbanken-Aktiengesellschaft (ÖVAG) and Sberbank agreed on the main terms relating to the sale of Volksbank International AG excluding Volksbank Romania S.A.. ÖVAG holds a 51% interest in Volksbank International AG. In the course of this agreement a term sheet was signed by all shareholders of Volksbank International AG (ÖVAG, BPCE, DZ BANK AG and WGZ BANK AG) and Sberbank on 14 July 2011. The closing of the envisaged transaction is scheduled to take place by the end of 2011.

#### **3. Description of the Issuer - Recent Developments (pages 54)**

On page 54 of the Original Prospectus under the heading “Recent Developments” the last sentence of the paragraph starting with “All these and future measures...” is replaced by following wording:

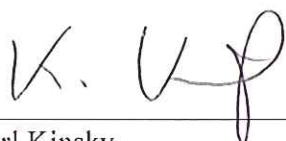
In the course of the de-merger the remaining EUR 700 million of the participation capital which was subscribed by the Republic of Austria will - subject to approval by the FMA - be transferred to Investkredit Bank AG (as issuer).

**STATEMENT 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, 18 July 2011

Österreichische Volksbanken-Aktiengesellschaft  
as Issuer



Karl Kinsky  
(Authorized Representative)



Heimo Rottensteiner  
(Authorized Representative)