



Österreichische Volksbanken-Aktiengesellschaft

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

**Prospectus Supplement No. 2
relating to the
€ 10,000,000,000 Debt Issuance Programme
dated 30 May 2012**

This prospectus supplement (the "**Supplement**") constitutes a Supplement pursuant to Art 16 of Directive 2003/71/EC as amended by Directive 2010/73/EC (the "**Prospectus Directive**") and section 6 of the Austrian Capital Market Act (*Kapitalmarktgesetz*) (the "**Capital Market Act**") and is supplemental to, and should be read in conjunction with the prospectus relating to the € 10,000,000,000 Debt Issuance Programme (the "**Programme**") of Österreichische Volksbanken-Aktiengesellschaft (the "**Issuer**") dated 30 May 2012 (the "**Original Prospectus**") as supplemented by the Supplement No. 1 dated 18 July 2012, and together with the Original Prospectus, the "**Prospectus**").

The Original Prospectus was approved on 30 May 2012 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/prospectus). The Supplement No. 1 dated 18 July 2012 amended by a revised version was approved and published on 30 July 2012 each 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/prospectus).

This Supplement has been published and filed for approval with the FMA in its capacity as competent authority in accordance with the Capital Market Act on 20 September 2012. The Supplement dated 20 September 2012 has been amended by a revised version and has been approved on 1 October 2012. This amended Supplement has been published and deposited according to the Capital Market Act. The Issuer has requested the FMA to provide the competent authorities of Germany, the Czech Republic, the Slovak Republic, Slovenia and Hungary 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/prospectus).

Terms defined in the Original Prospectus shall have the same meaning when used in this 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 Arranger 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 Original Prospectus, the statements in this Supplement will prevail.

In accordance with Art 16 of the Prospectus Directive and section 6 of the Capital Market Act, investors who have agreed to purchase or subscribe for Notes after the occurrence of the significant new factor, material mistake or inaccuracy relating to the information included in the Original Prospectus to which this Supplement relates to, but before the publication of this Supplement, have a right to withdraw their acceptances within two bank working days after the date of publication of this Supplement. The withdrawal period ended on 24 September 2012.

This Supplement has been filed for approval with the FMA in its capacity as competent authority under the Capital Market 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 Market Act.

**Arranger
VBAG**

Dealers

VBAG

VOLKSBANK VORARLBERG E.GEN.

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 U.S. 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).

1 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.

On 19 September 2012 the restructuring plans of Österreichische Volksbanken Aktiengesellschaft was approved by the European Commission. The following changes are made to the Original Prospectus:

1.1. Summary of the Programme – Summary regarding the Issuer (page 25)

On page 25 of the Original Prospectus under the heading “1.3 Summary regarding the Issuer – General” the following sentence is added in the second paragraph:

“Wolfgang Perdich will resign from his office effective with 30 September 2012.”

On page 25 of the Original Prospectus under the heading “1.3 Summary regarding the Issuer – Share Capital” the second paragraph is replaced by following wording:

“The shareholder structure and the restructuring measures (write-down of VBAG shares and participation capital by 70% and VBAG capital increase of EUR 484 million, subscribed by the Republic of Austria (EUR 250 million) and Volksbanken (EUR 234 million) and the merger of Investkredit Bank AG as transferring company and VBAG as accepting company), resolved in the annual shareholder meeting on 26 April 2012, will become effective upon registration in the companies register. The shareholder structure will be as follows: Volksbanken Holding eingetragene Genossenschaft (50.1%), the Republic of Austria (43.3%), DZ BANK AG (3.8%), ERGO group (Victoria Versicherung) (1.5%), Raiffeisen Zentralbank Österreich Aktiengesellschaft (0.9%), Volkskreditbank AG (0,1%) and Others (0.3%).”

1.2. Summary of the Programme – Summary regarding the risk factors (page 21)

On page 21 of the Original Prospectus under the heading “1.2 Summary regarding the risk factors” the risk factor beginning with “There is a risk that the approvals necessary...” is entirely deleted.

1.3. Risk Factors – Risk factors relating to the Issuer (page 29)

On page 29 of the Original Prospectus under the heading “2.1. Risk factors relating to the Issuer” the risk factor beginning with “There is a risk that the approvals necessary...” is entirely deleted.

1.4. Description of the Issuer – Recent Developments (page 54)

On page 54 of the Original Prospectus under the heading “3.3.1 Restructuring” the last paragraph beginning with “The restructuring measures outlined above are subject to approval...” as well as the heading and the paragraph under the heading “3.3.2 Sale of shareholdings” are entirely deleted and replaced by following wording:

“3.3.2 Approval of the state aid for VBAG and the restructuring measures by the European Commission

On 19 September 2012 the comprehensive restructuring plan of VBAG was approved by the European Commission. The approval encompasses measures that were introduced in 2009 as well as the support measures as agreed with the Republic of Austria in late April 2012 (write-down of participation capital held by the Republic by 70 % plus a EUR 250 million recapitalization).

Under the newly-approved restructuring plan, the following measures have to be implemented by VBAG until 31 December 2017 (restructuring phase):

- VBAG's total assets will be gradually reduced to EUR 18.39 billion (EUR 30.49 billion as at 30 June 2012) and risk-weighted assets (RWA) are to be gradually reduced to EUR 10.08 billion (EUR 15.54 billion as at 30 June 2012).
- Core business will only include business areas that provide services to the regional Volksbanks (key focus: role as central institution of the association of Volksbanks and providing and distributing products and services to Volksbanks and their clients) Business areas that do not constitute core business are to be discontinued as stipulated in the restructuring plan.
- Disposal of holdings in Raiffeisen Zentralbank, Volksbank Leasing International, Volksbank Malta, Investkredit International Bank (Malta) and Volksbank Romania.
- Prohibition of dividend payments during the restructuring phase up to and including for the business year ending on 31 December 2017 (moratorium on dividend payments for shares, participation capital and participation capital certificates).
- No payments on performance-related equity instruments (such as hybrid financial instruments and non-voting equity securities (*Genussscheine*)) are allowed, unless contractually or legally required.

Supplementary Capital Notes issued by VBAG and Investkredit are not affected by the moratorium.

VBAG is also required to take all necessary measures to ensure that the Republic of Austria is fully relieved of its participation commitments until 31 December 2017 or immediately after that date.

On 18 September 2012, the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, FMA) approved the new association of Volksbanks (*Kreditinstitute-Verbund*) pursuant to Section 30a of the Austrian Banking Act (*Bankwesengesetz*), which means that now all requirements for establishing the new association comprising the regional Volksbanks and VBAG as the central body are met.

The measures concluded at the end of April and approved by the Annual General Meeting on 26 April 2012 are due to be entered in the commercial register and therefore take legal effect at the end of September. Those measures are:

- (i) Write-down of VBAG shares and participation capital by 70 % and VBAG capital increase of EUR 484 million, subscribed by the Republic of Austria (EUR 250 million) and Volksbanks (EUR 234 million);
- (ii) Merger of Investkredit Bank AG with VBAG which is the acquiring company and sole legal successor.

All measures will be applied retroactively, with effect from 31 December 2011."

1.5 Description of the Issuer – Administrative, Management, and Supervisory Bodies (page 69)

On page 69 of the Prospectus under the heading “3.11 Administrative, Management, and Supervisory Bodies” following wording is added beneath Wolfgang Perdich as a member of the Management Board:

“(until 30 September 2012)”

2 Further Information

The Issuer has made notice of following inaccuracy relating to the information contained in the Original Prospectus which is – in the Issuers opinion - not significant and not capable of affecting significantly the assessment of the Notes and therefore does not require a supplement according to section 6 of the Capital Market Act. The information contained in the Original Prospectus has been amended on a voluntary basis.

2.1 Cover Note of the Prospectus (page 2)

On page 2 of the Original Prospectus the last sentence of the fourth paragraph beginning with “Every significant new factor...” is replaced by following wording:

“Every significant new factor, material mistake or inaccuracy relating to the information included in the prospectus which is capable of affecting the assessment of the securities and which arises or is noted between the time when the prospectus is approved and the final closing of the offer to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later, will be mentioned and published in a supplement to this Prospectus in accordance with Article 16 of the Prospectus Directive and section 6 of the Capital Market Act.”

2.2 Supplement to the Prospectus (page 4)

On page 4 of the Original Prospectus the paragraph under the heading “Supplement to the Prospectus” is replaced by following wording:

“The Issuer is obliged by the provisions of Article 16 of the Prospectus Directive and section 6 of the Capital Market Act, to mention and publish at any time during the duration of the Programme every significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Notes issued under the Programme and which arise or is noted between the time when the prospectus is approved and the final closing of the offer to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to the prospectus.”

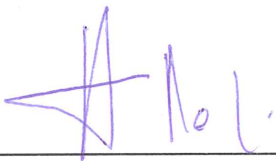
STATEMENT PURSUANT TO COMMISSION REGULATION (EC) NO 809/2004

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, 1 October 2012

Österreichische Volksbanken-Aktiengesellschaft

as Issuer



Martin Fuchsbauer, MBA



Mag. Gerald Kauschitz

ANNEX TO THE SUPPLEMENT DATED 1 October 2012

By reason of this Supplement also the Annex to the Prospectus is amended accordingly.
The Annex of the Prospectus has not been approved by the Austrian Financial Market
Authority.

Supplement to the Translations

relating to the

€ 10,000,000,000 Debt Issuance Programme

of

Österreichische Volksbanken-Aktiengesellschaft

dated 30 May 2012

Supplement to the German translation of the summary:

1.1 Zusammenfassung des Programms – Zusammenfassung der Beschreibung der Emittentin

Auf Seite 14 des im Original Prospekt enthaltenen Übersetzungs-Anhangs unter der Überschrift „1.3 Die Zusammenfassung der Beschreibung der Emittentin- Allgemeines“ wird folgender Text im zweiten Absatz beginnend mit „Der Vorstand der Emittentin...“ hinzugefügt:

„Wolfgang Perdich wird seine Funktion mit Wirksamkeit zum 30. September 2012 zurücklegen.“

Auf Seite 15 des im Original Prospekt enthaltenen Übersetzungs-Anhangs unter der Überschrift „1.3 Die Zusammenfassung der Beschreibung der Emittentin- Grundkapital und Aktionäre der Emittentin“ wird der zweite Absatz durch folgenden Text ersetzt:

“Die Aktionärsstruktur und die Restrukturierungsmaßnahmen (Kapitalherabsetzung des Aktien- und Partizipationskapitals der ÖVAG um 70%, Kapitalerhöhung in Höhe von EUR 484 Mio. durch die Republik Österreich (EUR 250 Mio.) und durch die Volksbanken (EUR 234 Mio.) und die Verschmelzung der Investkredit Bank AG mit der Emittentin), die in der Hauptversammlung vom 26. April 2012 beschlossen wurden, werden mit Eintragung in das Firmenbuch rechtswirksam. Die Aktionärsstruktur stellt sich wie folgt dar: Volksbanken Holding eingetragene Genossenschaft (50,1 %), die Republik Österreich (43,3 %), die DZ BANK AG (3,8 %), die ERGO Gruppe (Victoria Versicherung) (1,5 %), die Raiffeisen Zentralbank Österreich Aktiengesellschaft (0,9 %), die Volkskreditbank AG (0,1 %) und Sonstige (0,3 %).“

1.2 Zusammenfassung des Programms – Zusammenfassung der Risikofaktoren

Auf Seite 10 des im Original Prospekt enthaltenen Übersetzungs-Anhangs unter der Überschrift „1.2 Die Zusammenfassung der Risikofaktoren“ wird der Risikofaktor beginnend mit *„Es besteht das Risiko, dass die für die Umsetzung der Restrukturierungsmaßnahmen notwendigen Genehmigungen...“* gänzlich gelöscht.

Supplement to the Czech translation of the summary:

1.1 Shrnutí Programu – Přehled o Emitentovi

Na straně 53 přílohy Původního Prospektu obsahující překlady Shrnutí Programu se do druhého odstavce pod nadpisem "1.3 Přehled o Emitentovi – Všeobecné informace" začínající slovy *„Představenstvo (Vorstand) společnosti...“*, doplňuje následující věta:

"Wolfgang Perdich odstoupí ze své funkce s účinností ke dni 30. září 2012."

Na straně 53 přílohy Původního Prospektu obsahující překlady Shrnutí Programu se druhý odstavec pod nadpisem "1.3 Přehled o Emitentovi – Akciový kapitál", nahrazuje následujícím textem:

"Akcionářská struktura a restrukturalizační opatření (snížení hodnoty akcií VBAG a účastnického kapitálu o 70% a zvýšení kapitálu VBAG o 484 milionů EUR, který byl upsán Rakouskou republikou (250 milionů EUR) a Volksbanks (234 milionů EUR), a fúze Investkredit Bank AG jako převádějí společnosti a VBAG jako přejímající společnosti), o kterých bylo rozhodnuto na řádné valné hromadě dne 26. dubna 2012, se stanou účinné zápisem do

obchodního rejstříku. Akcionářská struktura bude mít následující podobu: Volksbanken Holding eingetragene Genossenschaft (50,1%), Rakouská republika (43,3%), DZ BANK AG (3,8%), skupina ERGO (Victoria Versicherung) (1,5%), Raiffeisen Zentralbank Österreich Aktiengesellschaft (0,9%), Volkskreditbank AG (0,1%) a Další (0,3%)."

1.2 Shrnutí Programu – Přehled rizikových faktorů

Na straně 49 přílohy Původního Prospektu obsahující překlady Shrnutí Programu se pod nadpisem "1.2 Přehled rizikových faktorů", zcela vypouští rizikový faktor začínající slovy „Existuje riziko, že nebudou uděleny souhlasy potřebné...“.

Supplement to the Slovak translation of the summary:

1.1 Súhrn Programu – Súhrn týkajúci sa Emitenta

Na strane 65 dodatku týkajúceho sa prekladov pôvodného Prospektu sa prvá veta v druhom odseku pod nadpisom „1.4 Súhrn týkajúci sa Emitenta - Všeobecné údaje“ začínajúca „Predstavenstvo (Vorstand) spoločnosti VBAG...“ nahradzuje nasledujúcim textom:

“Wolfgang Perdich sa vzdá svojej funkcie s účinnosťou ku dňu 30. septembra 2012”.

Na strane 65 dodatku týkajúceho sa prekladov pôvodného Prospektu sa druhý odsek pod nadpisom „1.4 Súhrn týkajúci sa Emitenta – Akciový kapitál“ nahradzuje nasledujúcim textom:

"Akcionárska štruktúra a opatrenia na reštrukturalizáciu (zníženie hodnoty akcií VBAG a účastníckeho kapitálu o 70% a zvýšenie kapitálu VBAG o 484 miliónov EUR, ktorý bol upísaný Rakúskou republikou (250 miliónov) a Volksbank (234 miliónov) a fúzia Investkredit Bank AG ako prevádzajúcej spoločnosti a VBAG ako nadobúdajúcej spoločnosti), o ktorých bolo rozhodnuté na riadnom valnom zhromaždení dňa 26. apríla 2012, sa stanú účinné zápisom do obchodného registra. Akcionárska štruktúra bude mať nasledujúcu podobu: Volksbanken Holding eingetragene Genossenschaft (50,1%), Rakúska republika (43,3%), DZ BANK AG (3,8%), skupina ERGO (Victoria Versicherung) (1,5%), Raiffeisen Zentralbank Österreich Aktiengesellschaft (0,9%), Volkskreditbank AG (0,1%) a Ďalší (0,3%)."

1.2 Súhrn Programu – Súhrn týkajúci sa rizikových faktorov

Na strane 61 dodatku týkajúceho sa prekladov pôvodného Prospektu sa pod nadpisom „1.2 Súhrn týkajúci sa rizikových faktorov“ úplne vypúšťa rizikový faktor začínajúci sa slovami "Existuje riziko neudelenia alebo udelenia s obmedzeniami potrebných súhlasov..."

Supplement to the Slovenian translation of the summary:

1.1 Izvleček programa – Povzetek o izdajatelju

Na strani 78 izvirnega povzetka, ki je priložen Prospektu, se pod naslovom "1.3 Povzetek o izdajatelju - Splošno" drugemu odstavku doda naslednje besedilo:

"Wolfgang Perdich bo z dne 30. septembra 2012 odstopil s svoje funkcije člana uprave."

Na strani 78 izvirnega povzetka, ki je priložen Prospektu, se pod naslovom "1.3 Povzetek o izdajatelju – Osnovni delniški kapital" drugi odstavek nadomesti z naslednjim besedilom:

"Lastniška struktura delničarjev in ukrepi za prestrukturiranje (znižanje vrednosti delnic VBAG in udeležbe v kapitalu za 70% in povečanje kapitala v VBAG v višini 484 milijonov EUR, vpisanega s strani Republike Avstrije (250 milijonov EUR) ter Volksbank (234 milijonov EUR) in združitev Investkredit Bank AG kot ciljne družbe in VBAG kot prevzemne družbe), kot je bilo sprejeto na letni skupščini delničarjev dne 26. aprila 2012, bodo postali veljavni z vpisom v sodni register. Lastniška struktura bo kot sledi: Volksbanken Holding eingetragene Genossenschaft (50,1%), Republika Avstrija (43,3%), DZ BANK AG (3,8%), ERGO group (Victoria Versicherung) (1,5%), Raiffeisen Zentralbank Österreich Aktiengesellschaft (0,9%), Volkskreditbank AG (0,1%) in drugi (0,3%)."

1.2 Izvleček programa – Povzetek o izdajatelju – Povzetek o dejavnikih tveganja

Na strani 74 izvirnega povzetka, ki je priložen Prospektu, se pod naslovom "1.2 Povzetek o dejavnikih tveganja" dejavnik tveganja, ki se začne z "Obstaja tveganje, da soglasja potrebna..." v celoti izbriše.

Supplement to the Hungarian translation of the summary:

1.1 A Program Összefoglalója - Kibocsátó bemutatása

A fordítás 91. oldalán található szövegrészlet, amely az Eredeti Tájékoztatóban "1.3 A Kibocsátó bemutatása - Általános információk" cím alatt található, e cím második bekezdésének első mondata, amely úgy kezdődik, hogy " A VBAG igazgatósága (*Vorstand*)... ", az alábbi mondattal egészül ki:

"*Wolfgang* Perdich 2012. szeptember 30-i hatállyal lemond tisztségéről."

A fordítás 92. oldalán "1.3 A Kibocsátó bemutatása – Jegyzett tőke" cím alatt található szöveg második bekezdése helyébe az alábbi szöveg lép:

"A 2012. április 16. napján megtartásra került éves közgyűlésen elhatározott részvényesi struktúra és a restrukturálási intézkedések (a VBAG részvényeinek és tőkerészesedésének 70%-os csökkentése és a VBAG tőkéjének 484 millió EUR összeggel történő felemelése, melyet az Osztrák Köztársaság (250 millió EUR) és a Volksbank (234 millió EUR) jegyeznek, valamint az Investkredit Bank AG mint átruházó társaság és VBAG mint átvevő társaság *egyesülése*) a cégjegyzékbe történő bejegyzéskor lépnek hatályba. A részvényesi struktúra az alábbiak szerint alakul: Volksbanken Holding eingetragene Genossenschaft (50,1%), Osztrák Köztársaság (43,3%) a DZ BANK AG (3,8%), az ERGO csoport (Victoria Biztosítótársaság) (1,5%), a Raiffeisen Zentralbank Österreich Aktiengesellschaft (0,9%), Volkskreditbank AG (0,1%) és Egyéb részvényesek (0,3%)

1.2 A kockázati tényezők rövid ismertetése (fordítás 87. oldala)

A fordítás 87. oldalán a "1.2. A kockázati tényezők rövid ismertetése" cím alatt ismertetett "Kockázat, hogy a restrukturálás lépéseinek megvalósításához szükséges engedélyeket nem adják meg" kezdetű kockázatról szóló szöveg teljes terjedelmében törlésre kerül.