

**Second Supplement dated 18 February 2014
to the Prospectus dated 5 June 2013**

*This document constitutes a supplement (the "**Second Supplement**") for the purposes of Article 13 of the Luxembourg Law on Prospectuses (as defined below) to two base prospectuses of Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft (the "**Issuer**"): (i) the base prospectus in respect of non-equity securities within the meaning of Article 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the "**Commission Regulation**") and (ii) the base prospectus in respect of Pfandbriefe within the meaning of Article 22 No. 6 (3) of the Commission Regulation (together with the First Supplement dated 11 June 2013 the "**Debt Issuance Programme Prospectus**" or the "**Prospectus**").*

This Second Supplement is supplemental to, and must be read in conjunction with the Debt Issuance Programme Prospectus.

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft

EUR 7,000,000,000

Debt Issuance Programme

(the "**Programme**")

The Issuer has requested the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Luxembourg Law relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*, the "**Luxembourg Law on Prospectuses**"), which implements the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 as amended, to provide the competent authorities in the Federal Republic of Germany, the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland, the Republic of Austria and The Netherlands as soon as possible after approval of this Second Supplement has been granted, with a certificate of such approval (the "**Notification**") attesting that the Second Supplement has been drawn up in accordance with the Luxembourg Law on Prospectuses. The Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

This Second Supplement will be published in the same way as the Debt Issuance Programme Prospectus in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.hypovbg.at). It is valid as long as the Debt Issuance Programme Prospectus is valid.

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft ("**Hypo Landesbank Vorarlberg**", "**Hypo Vorarlberg**" or the "**Issuer**") with its registered office in Bregenz, the Republic of Austria, is solely responsible for the information given in this Second Supplement.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Second Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Terms defined or otherwise attributed meanings in the Debt Issuance Programme Prospectus have the same meaning in this Second Supplement.

This Second Supplement shall only be distributed in connection with the Debt Issuance Programme Prospectus. It should only be read in conjunction with the Debt Issuance Programme Prospectus.

To the extent that there is any inconsistency between any statement in this Second Supplement and any other statement in or incorporated by reference in the Debt Issuance Programme Prospectus, the statements in this Second Supplement will prevail.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Debt Issuance Programme Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Debt Issuance Programme Prospectus.

The Issuer has confirmed to the Dealers that the Debt Issuance Programme Prospectus and this Second Supplement contains all information with regard to the Issuer and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained therein with respect to the Issuer and the Notes is accurate and complete in all material respects and is not misleading; that the opinions and intentions expressed therein with respect to the Issuer and the Notes are honestly held; that there are no other facts with respect to the Issuer or the Notes the omission of which would make the Debt Issuance Programme Prospectus and this Second Supplement misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in or not consistent with the Debt Issuance Programme Prospectus or this Second Supplement or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arranger nor any Dealer nor any other person mentioned in the Debt Issuance Programme Prospectus or this Second Supplement, excluding the Issuer, is responsible for the information contained in the Debt Issuance Programme Prospectus or this Second Supplement or any Final Terms or any other document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, where the Prospectus relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes before this Second Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Second Supplement, until 20 February 2014, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in Article 13 paragraph 1 of

the Luxembourg Law arose before the final closing of the offer to the public and the delivery of the Notes.

This Second Supplement may only be used for the purpose for which it has been published as set out below. This Second Supplement may not be used for the purpose of an offer or solicitation by and to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

This Second Supplement does not constitute an offer or an invitation to subscribe for or purchase any of the Notes.

The purpose of this Second Supplement is to add a risk factor based on significant new factors (according to Article 16 of the Prospectus Directive, as amended) relating to the information included in the Prospectus which is capable of affecting the assessment of the securities.

Supplemental information pertaining to the Summary

In the Section "Summary" of the Prospectus at the end of section D.2 (Key information on the key risks that are specific to the Issuer or its industry) and above the section D.3 on page 14 of the Prospectus the following paragraph is inserted:

"If a member institution of the Pfandbriefstelle fails to meet its obligations in connection with securities issued by the Pfandbriefstelle, this could have negative effects on the Issuer's assets, financial position and results of operations."

In the section "German Translation of the Summary" at the end of section D.2 (Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind) and above the section D.3 on page 29 of the Prospectus the following paragraph is inserted:

"Falls ein Mitgliedsinstitut der Pfandbriefstelle seinen Verpflichtungen aufgrund einer Emission von Wertpapieren der Pfandbriefstelle nicht nachkommen kann, könnte dies negative Auswirkungen auf die Vermögens-, Finanz, und Ertragslage der Emittentin haben."

Supplemental information pertaining to the section Risk Factors

On page 42 of the Prospectus after the the risk factor following the heading "Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules involves significant costs and efforts and non-compliance may have severe legal and reputational consequences" in Section "Risk Factors regarding Hypo Landesbank Vorarlberg" the following paragraph is inserted (above Section "Risk Factors regarding the Notes"):

"If a member institution of the Pfandbriefstelle fails to meet its obligations in connection with securities issued by the Pfandbriefstelle, this could have negative effects on the Issuer's assets, financial position and results of operations

Pursuant to Sec 1 para 1 of the Pfandbriefstelle-Gesetz (*Bundesgesetz über die Pfandbriefstelle der österreichischen Landes-Hypothekenbanken*, BGBl. I Nr. 45/2004 as amended, the "**PfBrStG**"), the Pfandbriefstelle der österreichischen Landes-Hypothekenbanken (the "**Pfandbriefstelle**") is a corporation of public law designed to issue based on suitable cover assets of the Member-Institutions (as defined below) *Hypothekendarlehen* (mortgage covered bonds), *öffentliche Darlehen* (public sector covered bonds) and other notes and to finance the business of the Member-Institutions by taking out or arranging loans or issuing notes.

The members of the Pfandbriefstelle are HYPO-BANK BURGENLAND Aktiengesellschaft, Eisenstadt, HYPO ALPE-ADRIA-BANK AG, Klagenfurt, HYPO ALPE-ADRIA-BANK INTERNATIONAL AG, Klagenfurt, HYPO NOE Landesbank AG, St. Pölten, HYPO NOE Gruppe Bank AG, St. Pölten, Oberösterreichische Landesbank AG, Linz, Salzburger Landes-Hypothekenbank AG, Salzburg, Landes-Hypothekenbank Steiermark AG, Graz, HYPO TIROL BANK AG, Innsbruck, and Vorarlberger Landes- und Hypothekenbank AG, Bregenz (the "**Member-Institutions**").

The Member-Institutions are liable jointly and severally for the obligations of the Pfandbriefstelle pursuant to Sec 2 PfBrStG. The respective liable public authorities (*Gewährträger*) of the Member Institutions (i.e. the respective states where the Member-Institutions have their seats, each a "**Gewährträger**") are liable jointly and severally for any obligations of the Pfandbriefstelle which incurred up to 2 April 2003. For any obligations which were incurred after 2 April 2003 up to (and including) 1 April 2007 the Gewährträger are liable jointly and severally only if the agreed maturities are no longer than until 30 September 2017. For liabilities incurred after 1 April 2007 there is no liability of the Gewährträger.

The Pfandbriefstelle's proceeds from the issue of *Hypothekendarpfandbriefe* (mortgage covered bonds), *öffentliche Darpfandbriefe* (public sector covered bonds) and other notes are transferred to the Member-Institutions as assets held in trust, whereby the respective Member-Institutions are liable vis-à-vis the Pfandbriefstelle for the funds received from the issue. If a Member-Institution fails in meeting its obligations towards the Pfandbriefstelle, the joint and several liability becomes effective. In such case also the Issuer would be liable for such obligations of other Member-Institutions.

This risk exists particularly with respect to HYPO ALPE-ADRIA-BANK INTERNATIONAL AG ("**HB International**") which was nationalised. According to its half-year financial report as per 30 June 2013, HB International has obligations of securities issued by the Pfandbriefstelle in an aggregate amount of EUR 1,205,700 (Source: Half year financial report of HB International, currently available at <http://www.hypo-alpe-adria.com/de/content/finanzberichte-praesentationen>).

If a Member-Institution fails in meeting its obligations under notes issued by Pfandbriefstelle, this would have negative effects on the Issuer's assets, financial position and results of operations."

Issuer

Vorarlberger Landes- und Hypothekenbank
Aktiengesellschaft
Hypo-Passage 1
6900 Bregenz
Republic of Austria

Arranger

Deutsche Bank Aktiengesellschaft
Große Gallusstraße 10–14
60272 Frankfurt am Main
Federal Republic of Germany

Fiscal and Paying Agent

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Große Gallusstraße 10–14
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Austrian Fiscal Agent

(for Notes (including Pfandbriefe) in bearer form with an Austrian International Securities Identification Number (ISIN) for which OeKB acts as Clearing System)

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