

**Second Supplement dated 5 May 2017  
to the Prospectus dated 3 August 2016**

*This document constitutes a supplement (the "**Second Supplement**") for the purposes of Article 13 of the Luxembourg Law on Prospectuses (as defined below) which implements Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended (the "**Prospectus Directive**"), into the Luxembourg law 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, as amended (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, as amended (together, the "**Debt Issuance Programme Prospectus**" or the "**Prospectus**").*

This Second Supplement is supplemental to, and should be read in conjunction with the Prospectus dated 3 August 2016 as supplemented by the First Supplement dated 7 November 2016 (the "**Supplemented 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 and the Republic of Austria 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](http://www.bourse.lu)) and on the website of the Issuer ([www.hypovbg.at](http://www.hypovbg.at)).

**In accordance with Article 13 paragraph 2 of the Luxembourg Law, where the Supplemented 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 9 May 2017, 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.**

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 Supplemented Prospectus have the same meaning in this Second Supplement.

This Second Supplement shall only be distributed in connection with and should only be read in conjunction with the Supplemented 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 Supplemented 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 Supplemented Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Supplemented Prospectus.

The Issuer has confirmed to the Dealers that the Supplemented Prospectus and this Second Supplement contain 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 Supplemented 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 Supplemented 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 Supplemented Prospectus or this Second Supplement, excluding the Issuer, is responsible for the information contained in the Supplemented 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.

**The following changes are made to the Supplemented Prospectus**

1. Section B.12 of the Summary on pages 9-11 of the Supplemented Prospectus shall be supplemented by the following information:

<b>"B.12 Selected historical key financial information</b>				
in '000 EUR	31.12.2016	31.12.2015	Change	
			in '000 EUR	in %
Total assets	13,324,387	13,902,411	-578,024	-4.2
Loans and advances to customers (L&R)	9,049,998	9,061,358	-11,360	-0.1
Amounts owed to customers (LAC)	5,282,097	4,995,818	286,279	5.7
Liabilities evidenced by certificates (LAC)	2,682,267	2,402,602	279,665	11.6
Capital resources pursuant to CRR	1,246,529	1,160,758	85,771	7.4
thereof core capital	1,005,715	874,848	130,867	15.0
Total capital ratio in accordance with CRR	16.52%	14.82%	1.70%	11.5

  

in '000 EUR	2016	2015	Change	
			in '000 EUR	in %
Net interest income after loan loss provisions	215,545	160,646	54,899	34.2
Net fee and commission income	34,027	36,566	-2,539	-6.9
Net trading result	27,998	1,020	26,978	>100.0
Administrative expenses	-97,114	-92,462	-4,652	5.0
Operating result before change in own credit risk	151,574	102,910	48,664	47.3
Earnings before taxes	117,619	121,146	-3,527	-2.9

  

Key figures	2016	2015	Change	
			absolute	in %
Cost/Income ratio (CIR)*	55.27%	45.34%	9.93%	21.9
Return on Equity (ROE)*	16.14%	11.67%	4.47%	38.3
Employees	725	729	-4	-0.5

\* Calculation Cost-Income-Ratio (CIR): The sum of administrative expenses and other expenses minus other tax expenses ((by reason of the stability fee) being independent from the operating results) divided by the sum of operating income consisting of net interest income, net fee and commission income, other income as well as the trading result and the result from the valuation of financial instruments-HFT.

$$\frac{97,114+64,830-36,651}{167,838+34,027+21,010+3,781+49} = 55.27\%$$

These figures are rounded and inferred from the annual report 2016.

Cost-Income-Ratio is an indicator of how efficiently the bank is being managed, and it is an important way of determining a bank's efficiency. It is calculated as described above whereas a low ratio means the bank is in good standing.

Calculation Return on Equity (ROE): Operating result before change in own credit risk divided by the total shareholder's equity of balance 1 January 2016 minus the sum of expected dividends and distributions to third parties for the previous fiscal year (surplus).

$$\frac{151,574}{969,141-30,000} = 16.14\%$$

These figures are rounded and inferred from the annual report 2016.

Return on equity is a measure of profitability of a credit institution that reveals how much net income a bank earns as a percent of the amount shareholders invest. It is a measure of how well a credit institution uses investments to generate earnings growth. Both are important and in the banking sector customary benchmarks.

	<b>Statement of no material adverse change</b>	Save as disclosed below, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements as of 31 December 2016.
	<b>Significant change in the financial and trading position</b>	Not applicable. There have been no significant changes in the financial or trading positions of Hypo Landesbank Vorarlberg since 31 December 2016."

2. Section B.12 of the German Translation of the Summary on pages 28-30 of the Supplemented Prospectus shall be supplemented by the following information:

<b>"B.12</b>	<b>Ausgewählte wesentliche historische Finanzinformationen</b>				
	<b>in TEUR</b>				
		<b>31.12.2016</b>	<b>31.12.2015</b>	<b>Veränderung</b>	
				<b>in TEUR</b>	<b>in %</b>
	Bilanzsumme	13.324.387	13.902.411	-578.024	-4,2
	Forderungen an Kunden (L&R)	9.049.998	9.061.358	-11.360	-0,1
	Verbindlichkeiten gegenüber Kunden ( LAC)	5.282.097	4.995.818	286.279	5,7
	Verbriefte Verbindlichkeiten (LAC)	2.682.267	2.402.602	279.665	11,6
	Eigenmittel gemäß CRR	1.246.529	1.160.758	85.771	7,4
	davon Kernkapital	1.005.715	874.848	130.867	15,0
Eigenmittelquote gemäß CRR	16,52%	14,82%	1,70%	11,5	
<b>in TEUR</b>					
	<b>2016</b>	<b>2015</b>	<b>Veränderung</b>		
			<b>in TEUR</b>	<b>in %</b>	
Zinsüberschuss nach Risikovorsorge	215.545	160.646	54.899	34,2	
Provisionsüberschuss	34.027	36.566	-2.539	-6,9	
Handelsergebnis	27.998	1.020	26.978	>100,0	
Verwaltungsaufwand	-97.114	-92.462	-4.652	5,0	
Operatives Ergebnis vor Veränderung des eigenen Bonitätsrisikos	151.574	102.910	48.664	47,3	
Ergebnis vor Steuern	117.619	121.146	-3.527	-2,9	
<b>Kennzahlen</b>					
	<b>2016</b>	<b>2015</b>	<b>Veränderung</b>		
			<b>absolut</b>	<b>in %</b>	
Cost-Income-Ratio (CIR)*	55,27%	45,34%	9,93%	21,9	
Return on Equity (ROE)*	16,14%	11,67%	4,47%	38,3	
Personal	725	729	-4	-0,5	
<p>* Berechnung Cost-Income-Ratio (CIR): Summe aus Verwaltungsaufwand und sonstigen Aufwendungen abzüglich der sonstigen Steueraufwendungen (aufgrund der vom operativen Ergebnis unabhängigen Stabilitätsabgabe) geteilt durch die Summe der betrieblichen Erträge, bestehend aus Zinsüberschuss, Provisionsüberschuss, sonstige Erträge, sowie dem Ergebnis aus dem Handel und dem Ergebnis aus der Bewertung von Finanzinstrumenten-HFT.</p>					
$\frac{97.114+64.830-36.651}{167.838+34.027+21.010+3.781+49} = 55,27 \%$					
<p>Diese Zahlenwerte sind gerundet und aus dem Geschäftsbericht 2016 entnommen.</p>					

<p>Das Cost-Income-Ratio ist eine Kennziffer die angibt, wie effizient die Bank geführt wird, und sie ist eine wichtige Form der Bestimmung der Effizienz einer Bank. Sie wird wie oben beschrieben berechnet, wobei ein niedriges Ratio bedeutet, dass die Bank in guter Verfassung ist.</p> <p>Berechnung Return on Equity (ROE): Operatives Ergebnis vor Veränderung des eigenen Bonitätsrisikos geteilt durch die Summe Eigenkapital Stand 1. Januar 2016 abzüglich der Summe der erwarteten Ausschüttungen und Ausschüttungen an Dritte für das vorangegangene Wirtschaftsjahr (Bilanzgewinn).</p> $\frac{151.574}{969.141-30.000} = 16,14 \%$ <p>Diese Zahlenwerte sind gerundet und aus dem Geschäftsbericht 2016 entnommen.</p> <p>Der Return on Equity ist ein Rentabilitätsmaß eines Kreditinstituts, das beschreibt, welchen Ertrag eine Bank im Verhältnis zu dem Betrag, den Aktionäre investiert haben, verdient. Es ist ein Maßstab dafür, wie gut ein Kreditinstitut Investitionen einsetzt, um Ertragswachstum zu generieren. Beides sind wichtige, und im Bankensektor gebräuchliche, Messlatten.</p>	
<p><b>Erklärung über keine wesentliche Verschlechterung der Aussichten des Emittenten</b></p>	<p>Außer wie unten dargestellt, haben sich die Aussichten der Emittentin seit dem Datum des letzten veröffentlichten geprüften Konzernabschlusses, das heißt seit dem 31. Dezember 2016, nicht wesentlich verschlechtert.</p>
<p><b>Signifikante Veränderungen in der Finanz- bzw. Handelsposition</b></p>	<p>Nicht anwendbar. Seit dem 31. Dezember 2016 kam es zu keiner wesentlichen Veränderung der Finanzlage oder der Handelsposition der Hypo Landesbank Vorarlberg."</p>

**3. The paragraph under the heading "Vorarlberger Landes- und Hypothekbank Aktiengesellschaft as Issuer – STATUTORY AUDITORS" on page 298 of the Supplemented Prospectus shall be replaced by the following information:**

"Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Wagramer Straße 19, IZD-Tower, 1220 Vienna, Republic of Austria ("**Ernst & Young**") are Hypo Landesbank Vorarlberg's auditors. Ernst & Young is a member of *Kammer der Wirtschaftstrehänder*. Ernst & Young has audited Hypo Landesbank Vorarlberg's consolidated financial statements as and for the fiscal years ending 31 December 2016 and 31 December 2015 and has issued an unqualified auditor's report thereon in each case. However, the auditor's report with respect to the consolidated financial statements of Hypo Landesbank Vorarlberg as of and for the financial year ended 31 December 2015 contains the following explanatory paragraph: "Without qualifying the audit opinion, we refer to the remarks by the company's Managing Board under Note 55 to the consolidated financial statements "Significant events after the reporting date", where the potential developments in connection with Pfandbriefbank (Österreich) AG and HETA ASSET RESOLUTION AG are described."

**4. In the section "Vorarlberger Landes- und Hypothekbank Aktiengesellschaft as Issuer – TREND INFORMATION" on page 303 of the Supplemented Prospectus, the last paragraph shall be replaced by the following information:**

"Save as disclosed above, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements as of 31 December 2016."

5. The section "Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft as Issuer – SELECTED FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES" on pages 308 and 309 of the Supplemented Prospectus shall be supplemented by the following information:

in '000 EUR	31.12.2016	31.12.2015	Change	
			in '000 EUR	in %
Total assets	13,324,387	13,902,411	-578,024	-4.2
Loans and advances to customers (L&R)	9,049,998	9,061,358	-11,360	-0.1
Amounts owed to customers (LAC)	5,282,097	4,995,818	286,279	5.7
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in '000 EUR	2016	2015	Change	
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Key figures	2016	2015	Change	
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\* Calculation Cost-Income-Ratio (CIR): The sum of administrative expenses and other expenses minus other tax expenses ((by reason of the stability fee) being independent from the operating results) divided by the sum of operating income consisting of net interest income, net fee and commission income, other income as well as the trading result and the result from the valuation of financial instruments-HFT.

$$\frac{97,114+64,830-36,651}{167,838+34,027+21,010+3,781+49} = 55.27 \% \quad \text{These figures are rounded and inferred from the annual report 2016.}$$

Cost-Income-Ratio is an indicator of how efficiently the bank is being managed, and it is an important way of determining a bank's efficiency. It is calculated as described above whereas a low ratio means the bank is in good standing.

Calculation Return on Equity (ROE): Operating result before change in own credit risk divided by the total shareholder's equity of balance 1 January 2016 minus the sum of expected dividends and distributions to third parties for the previous fiscal year (surplus).

$$\frac{151,574}{969,141-30,000} = 16.14 \% \quad \text{These figures are rounded and inferred from the annual report 2016.}$$

Return on equity is a measure of profitability of a credit institution that reveals how much net income a bank earns as a percent of the amount shareholders invest. It is a measure of how well a credit institution uses investments to generate earnings growth. Both are important and in the banking sector customary benchmarks.

**6. In the section "Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft as Issuer – SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION" on page 309 of the Supplemented Prospectus the text shall be replaced by the following information:**

"There have been no significant changes in the financial or trading positions of Hypo Landesbank Vorarlberg since 31 December 2016."

**7. The section "Documents Incorporated by Reference" on pages 330-331 of the Supplemented Prospectus shall be supplemented by the following information:**

"The following documents are incorporated into this Prospectus by reference:

- Consolidated Financial Statements 2016 (German Version) included in the Annual Report 2016 of Hypo Landesbank Vorarlberg

**Comparative Table of Documents Incorporated by Reference**

(page numbers refer to the Annual/Interim Reports)

<b>Page</b>	<b>Section of Prospectus</b>	<b>Documents Incorporated by Reference</b>
308	<b>Hypo Landesbank Vorarlberg, Historical Financial Information</b>	<p><b>Consolidated Financial Statements 2016 (German Version) of Hypo Landesbank Vorarlberg included in the Annual Report 2016</b></p> <p>Balance sheet (<i>Bilanz</i>) dated 31 December 2016 (page 63)</p> <p>Statement of Comprehensive Income (<i>Gesamtergebnisrechnung</i>) for the period 1 January to 31 December 2016 (page 62)</p> <p>Cash flow statement (<i>Geldflussrechnung</i>) (page 65)</p> <p>Notes (<i>Erläuterungen/Notes</i>) (pages 87-105)</p> <p>Statement of changes in shareholders' equity (<i>Eigenkapitalveränderungsrechnung</i>) (page 64)</p> <p>Auditor's report (<i>Bestätigungsvermerk</i>) (pages 148-151)"</p>

## **ADDRESSES**

### **Issuer**

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

### **Fiscal and Paying Agent**

Deutsche Bank Aktiengesellschaft  
Trust & Securities Services  
Taunusanlage 12  
60325 Frankfurt am Main  
Federal Republic of Germany

### **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)

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

### **Listing Agent in the Grand Duchy of Luxembourg**

Banque de Luxembourg  
14, boulevard Royal  
2449 Luxembourg  
Grand Duchy of Luxembourg