

**Second Supplement dated 17 October 2016  
to the Debt Issuance Programme Prospectus dated 8 June 2016  
as supplemented by the First Supplement dated 31 August 2016**

*This document constitutes a supplement (the "**Second Supplement**") within the meaning of Article 16 of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended (the "**Prospectus Directive**") to two base prospectuses of Hypo Tirol Bank AG (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 (together, 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 dated 8 June 2016 as supplemented by the first supplement dated 31 August 2016 (the "**First Supplement**") and together with the Prospectus, the "**Supplemented Prospectus**".*

## **HYPO TIROL BANK AG**

**EUR 5,000,000,000  
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 (each a "**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 Supplemented 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.hypotiro.at](http://www.hypotiro.at)).

HYPO TIROL BANK AG ("**HYPO TIROL**" or the "**Issuer**") with its registered office in Innsbruck, 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 the Supplemented Prospectus. It 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 contains all information with regard to the Issuer and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained therein is accurate in all material respects and is not misleading; that the opinions and intentions expressed therein are honestly held; that there are no other facts the omission of which would make the Supplemented Prospectus as a whole or any of such information or the expression of any such opinions or intentions 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 Supplemented Prospectus or this Second Supplement or any other document entered into or any information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorized by or on behalf of 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.

**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 19 October 2016, 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.**

## **I. Replacement information pertaining to the SUMMARY and its German Translation**

### **1. Replacement information pertaining to the "SUMMARY – Section B – Summary regarding the Issuer"**

- On page 10 of the Supplemented Prospectus, the penultimate paragraph of "Element B.13 – Recent Events" shall be replaced by the following:

		<p>"In May 2016, members of Heta groups of creditors signed a Memorandum of Understanding, including a term sheet, with the Republic of Austria, represented by the Ministry of Finance. According to this Memorandum of Understanding, an agreement regarding the restructuring of HETA liabilities for which a default guarantee is foreseen by regional law (<i>landesbehaftet</i>) was supposed to be achieved and creditors were thought to receive 90% of their claims. On 6 September 2016, the Carinthian Compensation Payment Fund ("<b>KAF</b>") renewed the tender offer for HETA senior unsecured and subordinate obligations according to § 2 Finanzmarktstabilitätsgesetz ("<b>FinStaG</b>"). Holders of senior unsecured obligations were given the option to either accept a cash offer or to convert their existing bonds into secured zero coupon bonds to be issued by the Offeror (KAF) and fully and unconditionally guaranteed by the Republic of Austria. The offer expired on 7 October 2016. The required two-third acceptance rate was met and thus the offer is valid. With the present agreement between creditors, Land Carinthia and the Federal Government in place the valuation adjustment of EUR 38.7 million - this corresponds to a rate of 50% -, which the Issuer had already made as a precautionary measure in the balance sheet in 2014, will be redeemable for the major part in the 2016 balance sheet (EUR 30.96 million)."</p>
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### **2. Replacement information pertaining to the German translation of the Summary section "GERMAN TRANSLATION OF THE SUMMARY – Abschnitt B – Zusammenfassung in Bezug auf die Emittentin"**

- On page 24 of the Supplemented Prospectus, the penultimate paragraph of "Element B.13 – Letzte Ereignisse" shall be replaced by the following:

		<p>"Im Mai 2016 haben Mitglieder von Gläubigergruppen der HETA mit der Republik Österreich, vertreten durch das Bundesministerium für Finanzen, ein Memorandum of Understanding inklusive eines Termsheets unterzeichnet. Danach sollte eine Einigung über die Restrukturierung der landesbehafteten Verbindlichkeiten der HETA erzielt werden und die Gläubiger 90% der Forderungen erhalten. Am 6. September 2016 unterbreitete der Kärntner Ausgleichszahlungsfond ("<b>KAF</b>") ein neues Rückkaufangebot für nicht - nachrangige und nachrangige Verbindlichkeiten der HETA gemäß § 2 Finanzmarktstabilitätsgesetz ("<b>FinStaG</b>"). Inhaber von nicht-nachrangigen Verbindlichkeiten konnten sich für das Barangebot oder das Umtauschangebot in Nullkupon-Anleihen des KAF, garantiert durch die Republik Österreich, entscheiden. Das Angebot endete am 7. Oktober 2016. Das Angebot wurde von mehr als der notwendigen zwei Drittel Mehrheit angenommen und ist daher gültig. Die von der Emittentin bereits in der Bilanz 2014 vorsorglich getroffene Wertberichtigung in Höhe von 38,7 Mio EUR - das entspricht einer Quote von 50% - kann aufgrund der jetzigen Einigung zwischen Gläubigern, Land Kärnten und Bund in der Bilanz 2016 größtenteils (30,96 Mio EUR) aufgelöst werden."</p>
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**II. Replacement information pertaining to the section "HYPO TIROL BANK AG"**

**- The penultimate paragraph of the section "TREND INFORMATION – Recent Developments" on page 55 of the Supplemented Prospectus shall be replaced by the following:**

"In May 2016, members of Heta groups of creditors signed a Memorandum of Understanding, including a term sheet, with the Republic of Austria, represented by the Ministry of Finance. According to this Memorandum of Understanding, an agreement regarding the restructuring of HETA liabilities for which a default guarantee is foreseen by regional law (*landesbehaftet*) was supposed to be achieved and creditors were thought to receive 90% of their claims. On 6 September 2016, the Carinthian Compensation Payment Fund ("**KAF**") renewed the tender offer for HETA senior unsecured and subordinate obligations according to § 2 Finanzmarktstabilitätsgesetz ("**FinStaG**"). Holders of senior unsecured obligations were given the option to either accept a cash offer or to convert their existing bonds into secured zero coupon bonds to be issued by the Offeror (KAF) and fully and unconditionally guaranteed by the Republic of Austria. The offer expired on 7 October 2016. The required two-third acceptance rate was met and thus the offer is valid. With the present agreement between creditors, Land Carinthia and the Federal Government in place the valuation adjustment of EUR 38.7 million - this corresponds to a rate of 50% -, which the Issuer had already made as a precautionary measure in the balance sheet in 2014 will be redeemable for the major part in the 2016 balance sheet (EUR 30.96 million)."

**Issuer**

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Meraner Straße 8  
6020 Innsbruck  
Republic of Austria

**Fiscal and Paying Agent**

Deutsche Bank Aktiengesellschaft  
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Federal Republic of Germany

**Austrian Fiscal and Paying Agent**  
(for Pfandbriefe)

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