

3rd October, 2001

Pricing Supplement

JPY 500,000,000 Fixed and Indexed Callable to Knock-In Redemption Notes due 2031

issued pursuant to the
Euro 2,000,000,000
Debt Issuance Programme

dated 15th November, 2000

of

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft

Issue Price: 100.70 %

Issue Date: 3rd October, 2001

This Pricing Supplement is issued to give details of an issue of Notes under the Euro 2,000,000,000 Debt Issuance Programme of Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft (the "Programme") and is to be read in conjunction with the Terms and Conditions of the Notes (the "Terms and Conditions") set forth in the Information Memorandum pertaining to the Programme, as the same may be amended or supplemented from time to time. Capitalised Terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

All references in this Pricing Supplement to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

All provisions in the Terms and Conditions corresponding to items in this Pricing Supplement which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "Conditions").

Issuer

**Vorarlberger Landes- und
Hypothekenbank Aktiengesellschaft**

Form of Conditions

- ☒ Long-Form
☐ Integrated

Language of Conditions

- ☐ German only
☒ English only
☐ English and German (English Controlling)
☐ German and English (German Controlling)

CURRENCY, DENOMINATION, CERTAIN DEFINITIONS (§ 1)

Currency and Denomination

Specified Currency

Japanese Yen ("JPY")

Aggregate Principal Amount

JPY 500,000,000

Specified Denomination	JPY 100,000,000
Number of Notes to be issued in the Specified Denomination	5

☒ **TEFRA C**

Permanent Global Note

☐ **TEFRA D**

Temporary Global Note exchangeable for Permanent Global Note

☐ **Neither TEFRA D nor TEFRA C**

Permanent Global Note

Certain Definitions

Clearing System

☐ Oesterreichische Kontrollbank AG

☐ Clearstream Banking AG, Frankfurt am Main

☒ Clearstream Banking société anonyme, Luxembourg

☒ Morgan Guaranty Trust Company of New York, Bussells office (Euroclear Operator)

☐ Other – specify

Calculation Agent Yes

☐ Fiscal Agent

☒ Other – specify Nomura Bank (Luxembourg) S.A.

STATUS (§ 2)

☒ **Unsubordinated**

☐ **Subordinated**

INTEREST (§ 3)

☒ **Fixed Rate Notes** Applicable

Rate of Interest and Interest Payment Dates

Rate of Interest	5.00 per cent. per annum payable annually in arrear on the Fixed Interest Date. For the avoidance of doubt, JPY5,000,000 per Specified Denomination will be payable on the Fixed Interest Date
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Interest Commencement Date	3rd October, 2001
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Fixed Interest Date(s)	3rd October, 2002
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First Interest Payment Date	3rd October, 2002
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Initial Broken Amount(s) (per Specified Denomination)	Not Applicable
Fixed Interest Date preceding the Maturity Date	Not Applicable
Final Broken Amount(s) (per Specified Denomination)	Not Applicable
☐ Floating Rate Notes	Not Applicable
Interest Payment Dates	Not Applicable
Business Day Convention	Not Applicable
Relevant Financial Centres	Not Applicable
Rate of Interest	Not Applicable
Minimum and Maximum Rate of Interest	
☒ Minimum Rate of Interest	Minimum Rate of Interest shall be 0% per annum.
☒ Maximum Rate of Interest	Not Applicable
☐ Zero Coupon Notes	Not Applicable
Accrual of Interest	Not Applicable
☐ Dual Currency Notes	Not Applicable
☐ Partly Paid Notes	Not Applicable
☒ Indexed Notes	Applicable
(i) Index/Formula	See the attached Appendix
(ii) Calculation Agent responsible for calculating the principal and/or interest due	Nomura Bank (Luxembourg) S.A.
(iii) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable	See the attached Appendix
(iv) Specified Period(s)/Specified Interest Payment Dates	See the attached Appendix
(v) Business Day Convention	Not Applicable
(vi) Additional Business Centre(s)	Not Applicable
(vii) Minimum Rate of Interest	See the attached Appendix
(viii) Maximum Rate of Interest	Not Applicable
(ix) Day Count Fraction	30/360
☐ Instalment Notes	Not Applicable
Day Count Fraction	

- ☐ Actual/Actual (ISMA)
- ☐ Actual/365 (Fixed)
- ☐ Actual/360
- ☒ 30/360 or 360/360 (Bond Basis)
- ☐ 30e/360 (Eurobond Basis)

PAYMENTS (§ 4)

Payment Business Day

Relevant Financial Centre(s) (specify all)

London, Tokyo and New York

REDEMPTION (§ 5)

Final Redemption

Notes other than Instalment Notes

Maturity Date

3rd October, 2031

Redemption Month

Not Applicable

Final Redemption Amount

☐ Principal Amount

☒ Final Redemption Amount (per Specified Denomination)

100 per cent. of the nominal amount

Instalment Notes

Not Applicable

Early Redemption

Early Redemption at the Option of the Issuer

Yes

Minimum Redemption Amount

100 per cent. of the outstanding
Aggregate Principal Amount of the
Notes

Higher Redemption Amount

Not Applicable

Call Redemption Date(s)

3rd October, 2002, 3rd October,
2003 and 3rd October, 2004

Call Redemption Amount(s)

JPY 100,000,000 per Specified
Denomination

Minimum Notice to Holders

15 days prior to each Call
Redemption Date

Maximum Notice to Holders

30 days prior to each Call
Redemption Date

Early Redemption at the Option of a Holder

No

Early Redemption Amount

Not Applicable

FISCAL AGENT AND PAYING AGENTS AND CALCULATION AGENT (§ 6)

Calculation Agent/specified office

Nomura Bank (Luxembourg) S.A.
6 Avenue Emile Reuter, Box 289
L2420 Luxembourg

Required location of Calculation Agent (specify)

Luxembourg

☐ Paying Agents

Banque de Luxembourg S.A.

☐ Additional Paying Agent(s)/specified office(s)

Not Applicable

NOTICES (§ [12])**Place and medium of publication**

Not Applicable

☐ Luxembourg (Luxemburger Wort)**GENERAL PROVISIONS APPLICABLE TO THE NOTE(S)****Listing(s)**

No

☐ Luxembourg☐ Other (insert details)**Method of distribution**☒ Non-syndicated☐ Syndicated**Management Details**Management Group/Dealer
Commissions

0.70 per cent.

Stabilising Dealer/Manager

Not Applicable

Securities Identification Numbers

Austrian Securities Code

30480

Common Code

13592632

ISIN Code

XS0135926326

German Securities Code

721266

Supplemental Tax Disclosure (specify)

Not Applicable

Selling Restrictions☒ TEFRA C☐ TEFRA D☐ Neither TEFRA C nor TEFRA D

Additional Selling Restrictions (specify)

Not Applicable

Rating

AAA

Governing Law

German Law

Other relevant terms and conditions (specify)

The Notes are subject to Automatic Early Redemption in whole but not in part: please see attached Appendix.

All references in the Terms and Conditions to Morgan Guaranty Trust Company of New York, Brussels office as operator of Euroclear shall be deemed to be references to Euroclear Bank S.A./N.V.

Condition 7 is amended by:

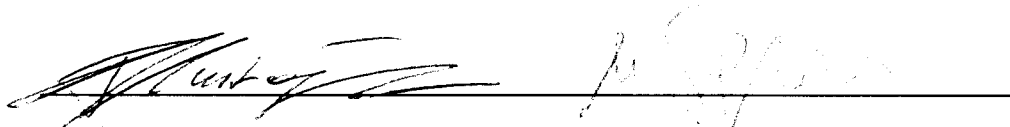
- (i) deleting the full stop at the end of subparagraph (e) and replacing it with “;or”;
- (ii) inserting as new subparagraphs (f) and (g) the following:
 - “(f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - “(g) by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU.”; and

- (iii) inserting after the new subparagraph (g) the following unnumbered subparagraph:

“The European Union is currently considering proposals for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments and subject to the proposals not being required to be applied to Notes issued before 1st March, 2001 or to tranches of Notes issued before 1st March, 2002 and fungible with Notes issued before 1st March, 2001 or where the original prospectus was certified before that date.”.

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft



FILIZ KURTOGLU MARKUS SEEGER

Appendix

1. Indexed Interest

The Indexed Interest Notes will bear interest from and including 3rd October, 2002 to but excluding the Maturity Date, payable in amounts (each an “**Indexed Interest Amount**”) determined in accordance with the provisions set out below. Indexed Interest will be payable annually in arrear on 3rd October in each year commencing 3rd October, 2003 up to and including the Maturity Date (or in the case of Automatic Early Redemption, the relevant Automatic Early Redemption Date), (each an “**Indexed Interest Payment Date**”). The period from and including 3rd October, 2002 to but excluding the first Indexed Interest Payment Date and each successive period from and including an Indexed Interest Payment Date to but excluding the next following Indexed Interest Payment Date is herein called an “**Indexed Interest Period**”. For the avoidance of doubt, there shall be no adjustment in respect of the Indexed Interest Periods.

The Indexed Interest Amount per Specified Denomination for each Indexed Interest Period shall be calculated by the Calculation Agent in accordance with the following formula, provided that; (i) the resultant figure of the formula shall be rounded to the nearest whole JPY, half a JPY being rounded upwards; (ii) the resultant figure of the square bracket shall be rounded to the nearest six decimal places of one per cent.; and (iii) the resultant figure of the square bracket shall never be less than zero:

$$\text{JPY } 100,000,000 \times [15.00\% \times ({}^{FX1}_{/121.90}) - 10.00\%] \times \text{Day Count Fraction}$$

Where:

“**Calculation Agent**” shall mean Nomura Bank (Luxembourg) S.A, whose determinations and calculations shall be binding in the absence of manifest error;

“**Day Count Fraction**” shall mean 30/360;

“**Interest Determination Date**” shall mean the day that is the tenth (10) Tokyo, London and New York Business Day prior to the relevant Indexed Interest Payment Date;

“**FX1**” shall mean the arithmetic mean of the offered rate and bid rate of the JPY/USD exchange rates, expressed as a number of JPY per USD 1.00, which appears on Reuters Screen Page “JPNU” under the “DLR” column as of 5.00pm Tokyo time on the relevant Interest Determination Date; and provided that if no such exchange rate or rates is or are published on Reuters Screen Page “JPNU” or Reuters Screen Page “JPNU” is not available on the relevant Interest Determination Date, FX1 will be the arithmetic mean of the offered rate and bid rate for USD/JPY as of 3:00 p.m. Tokyo time provided by Bank of Japan which rates appears at DLR/YEN column on the Reuters Screen Page “TKYFX” or a successor page on such date. If neither the “JPNU” nor “TKYFX” page (or such other page as may replace the page on that service) is available on the Interest Determination Dates, then FX1 shall be determined by the Calculation Agent in good faith;

“**Reuters Screen Page “JPNU”**” means the display page “JPNU” on the Reuters Monitor Money Rate Service (or such other page as may replace that page on that service for the purpose of displaying the JPY/USD exchange rates);

“**Reuters Screen Page “TKYFX”**” means the display page “TKYFX” on the Reuter Monitor Money Service (or such other page as may replace that page on that service for the purpose of displaying the JPY/USD exchange rates); and

“**USD**” shall mean United States Dollars.

For the avoidance of doubt, if interest is required to be calculated for a period other than a full Indexed Interest Period, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days and, in the case of an incomplete month, the number of days elapsed.

2. Automatic Early Redemption

Notwithstanding Condition 5, the Notes will automatically be redeemed in whole but not in part at 100.00 per cent per Specified Denomination (together with the interest accrued) on 3rd October in each year from and including 3rd October, 2005 to and including 3rd October, 2030 (each an **"Automatic Early Redemption Date"**) if FX2 is greater than or equal to the Trigger Rate on the relevant Automatic Early Redemption Determination Date.

Where:

"Trigger Rate" shall mean, with respect to each relevant Automatic Early Redemption Date, 120.90:

"Calculation Agent" shall mean Nomura Bank (Luxembourg) S.A., whose determinations and calculations shall be binding in absence of manifest error.

"FX2" shall mean the arithmetic mean of the offered rate and bid rate of the JPY/USD exchange rates, expressed as a number of JPY per USD 1.00, as of 5.00pm Tokyo time on the Automatic Early Redemption Determination Date, which appears on Reuters Screen Page "JPNU" under the "DLR" column; and provided that if no such exchange rate or rates is or are published on Reuters Screen Page "JPNU" or Reuters Screen Page "JPNU" is not available on the relevant Automatic Early Redemption Determination Date, FX2 will be the arithmetic mean of the offered rate and bid rate for USD/JPY as of 3:00 p.m. Tokyo time provided by Bank of Japan which rates appears at DLR/YEN column on the Reuters Screen Page "TKYFX" or a successor page on such date. If neither the "JPNU" nor "TKYFX" page (or such other page as may replace the page on that service) is available on the Automatic Early Redemption Determination Dates, then FX2 shall be determined by the Calculation Agent in good faith;

"Automatic Early Redemption Determination Date" shall mean the day that is the tenth (10) Tokyo, London and New York Business Day prior to the relevant Automatic Early Redemption Date;

"Reuters Screen Page "JPNU"' means the display page "JPNU" on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying the JPY/USD exchange rate); and

"Reuters Screen Page "TKYFX"' means the display page "TKYFX" on the Reuter Monitor Money Service (or such other page as may replace that page on that service for the purpose of displaying the JPY/USD exchange rates); and

"USD" shall mean United States Dollars.