

QUARTERLY REPORT AS AT 30 SEPTEMBER 2014

HYPO LANDESBANK VORARLBERG



CONTENTS

| | Seite |
|--|-------|
| Key figures of Hypo Landesbank Vorarlberg _____ | 3 |
| Group management report in accordance with IFRS as at 30 September 2014 _____ | 4 |
| Consolidated financial statements in accordance with IFRS as at 30 September 2014 _____ | 10 |
| I. Statement of comprehensive income for the period from 1 January to 30 September 2014 _____ | 10 |
| II. Balance Sheet Dated 30 September 2014 _____ | 11 |
| III. Statement of changes in shareholders' equity _____ | 12 |
| IV. Condensed cash flow statement _____ | 12 |
| V. Notes _____ | 12 |
| Declaration of the statutory representatives with respect to the interim report per Section 87 (1) no. 3 Austrian Stock Exchange Act (BörseG) _____ | 24 |
| Branch offices/subsidiaries _____ | 27 |

KEY FIGURES OF HYPO LANDESBANK VORARLBERG

Group reporting per IFRS:

| in '000 EUR | (Notes) | 30.09.2014 | 31.12.2013** | Change in '000 EUR | Change in % |
|---|---------|------------|--------------|-----------------------|----------------|
| Total assets | | 13,897,027 | 14,145,177 | -248,150 | -1.8 |
| Loans and advances to customers (L&R) | | 8,935,956 | 8,485,284 | 450,672 | 5.3 |
| Amounts owed to customers (LAC) | | 4,744,931 | 4,815,650 | -70,719 | -1.5 |
| Liabilities evidenced by certificates (LAC) | (12) | 2,260,399 | 1,894,590 | 365,809 | 19.3 |
| Capital resources in accordance with CRR/BWG *) | (20) | 1,066,699 | 1,199,302 | -132,603 | -11.1 |
| thereof core capital/Tier 1*) | (20) | 777,038 | 804,590 | -27,552 | -3.4 |
| Total capital ratio in accordance with CRR/BWG *) | (20) | 12.80 % | 15.42 % | -2.61 % | -17.0 |

*) As of 30 September 2014, the capital ratios are based on the CRR (EU regulation no. 575/2013). The comparative figures are based on the provisions of the Austrian Banking Act (BWG), which were applicable until 31 December 2013.

| in '000 EUR | (Notes) | 01.01.– 30.09.2014 | 01.01.– 30.09.2013** | Change in '000 EUR | Change in % |
|---|---------|-----------------------|-------------------------|-----------------------|----------------|
| Net interest income after loan loss provisions | | 103,237 | 98,321 | 4,916 | 5.0 |
| Net fee and comission income | (3) | 25,876 | 27,198 | -1,322 | -4.9 |
| Net trading result | (5) | 14,190 | 16,573 | -2,383 | -14.4 |
| Administrative expenses | (6) | -69,445 | -68,416 | -1,029 | 1.5 |
| Operating result before change in own credit risk | | 58,404 | 66,092 | -7,688 | -11.6 |
| Earnings before taxes | | 58,212 | 65,138 | -6,926 | -10.6 |

| Key figures | (Notes) | 01.01.– 30.09.2014 | 01.01.– 30.09.2013** | Change in '000 EUR | Change in % |
|-------------------------|---------|-----------------------|-------------------------|-----------------------|----------------|
| Cost-Income-Ratio (CIR) | | 48.72% | 46.84% | 1.88% | 4.0 |
| Return on equity (ROE) | | 9.22% | 11.36% | -2.14% | -18.9 |
| Employees | (17) | 718 | 726 | -8 | -1.1 |

** The IFRS measurement method was adjusted in 2013 and the previous year's figures were amended retrospectively in order to ensure better comparability. Adjustment of previous year's figures relates to the remeasurement of loans and credits voluntarily designated at fair value. The previous year's figures were also adjusted due to application of the amended IAS 19.

The shareholders of Vorarlberger Landes- und Hypothekbank Aktiengesellschaft (Hypo Landesbank Vorarlberg) as at 30 September 2014 are:

| Shareholders | Total shareholding | Voting rights |
|---|--------------------|------------------|
| Vorarlberger Landesbank-Holding | 76.0308% | 76.0308% |
| Austria Beteiligungsgesellschaft mbH | 23.9692% | 23.9692% |
| Landesbank Baden-Württemberg | 15.9795% | |
| Landeskreditbank Baden-Württemberg Förderbank | 7.9897% | |
| Share capital | 100.0000% | 100.0000% |

| Rating Moody's* | |
|---|-----|
| Long-term for liabilities with state deficiency guarantee | Aa2 |
| for liabilities without state deficiency guarantee (as of 2 April 2007) | A2 |
| Short-term | P-1 |

* On 20th June 2014, Moody's changed the rating of Hypo Vorarlberg from A1 with negative outlook to A2 with negative outlook. As a reason, Moody's stated the planned introduction of the Hypo „Sondergesetz“ with the associated haircut of subordinated bonds despite governmental guarantee as well as the forthcoming introduction of the Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanisms (SRM). In Austria, the BRRD policy runs under the name BIRG and regulates the restructuring or resolution of banks.

GROUP MANAGEMENT REPORT IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AS AT 30 SEPTEMBER 2014

BANKING ENVIRONMENT

Global economy and euro zone

The European Central Bank cut the key interest rate in the euro zone to a new historic low in the third quarter of 2014. For the first time since the introduction of the single currency, the key interest rate was set at 0.05 %. In addition, banks now have to pay a "parking fee" of 0.20 % for surplus liquidity in the form of deposits at the ECB. One of the reasons for this decision was the continuing decline in inflation rates. Price increases in the euro zone amounted to just 0.30 % in August and there were growing fears of deflation. Accompanying measures by the ECB included purchasing loan securitisations (ABS) and covered bonds from commercial banks. The euro zone recorded a declining growth rate, whereas the USA surprised observers with better economic growth than had originally been forecasted. The labour market recovery also progressed further, prompting the US Fed to reduce its monthly bond purchase volume again.

Austria

Economic growth in Austria continued to be held back by uncertainties with regard to economic policy in the euro zone and by geopolitical tensions. Initial calculations by the Austrian Institute of Economic Research (WIFO) indicate a stagnation in overall economic output in the third quarter, meaning that the Austrian economy lost further momentum following the lacklustre performance in the first half of the year. According to the WIFO, gross domestic product declined as against the previous quarter, while the WIFO also reduced its figure for real growth in the second quarter of 2014 from 0.20 % originally to 0.10 %. In comparison to the previous year, overall economic output increased by 0.20 % in the third quarter. Capital expenditure and foreign trade saw a particularly weak development. Real GDP in Austria is therefore expected to grow by just 0.80 % in 2014 and by 1.20 % in 2015. Inflation in Austria fell slightly to 1.60 % in September as against the same month of the previous year.

Stock and bond markets

Despite weaker economic data and military conflicts in the Middle East and Ukraine, the stock markets recovered on the whole in the third quarter, although there was a high level of volatility. In addition to the US indices, which benefited from the stronger economy, the stock markets in emerging economies also proved relatively strong. Sentiment on the European stock markets was less euphoric, primarily due to the deteriorating general conditions. For example, the gloomier economic prospects for Germany were reflected in a reduced growth estimate for the current year. The widely observed Ifo Business Climate Index subsequently fell to its lowest level since December 2012. The difficult geopolitical conditions and the unresolved situati-

on in Ukraine caused the Bund Future, which comprises the development of ten-year German government bonds, to rise above the 150 mark. Returns therefore fell below 1.00 %. Issuers from both the core and the peripheral countries benefited from the positive sentiment on the bond market. An imminent initial interest rate hike in the USA prompted investors to withdraw their money from high-yield bonds.

Commodities

The commodities markets were dominated by a downward trend in the reporting period. In addition to the strong US dollar, the cyclical sectors of industrial metals and energy were also beset by weak sentiment indicators from Europe and China. The gold price is currently tracking sideways on the whole. Rising price quotations in the current year were the result of increased tensions in relation to the Ukraine crisis. The advance of Islamic militants in Syria and Iraq, as well as Israel's military operation in the Gaza Strip, also boosted the price of this precious metal that is seen as a "crisis currency". On the other hand, strong US economic data repeatedly stoked fears among market participants of imminent hikes in the key interest rate in the USA, which would make gold less appealing as a non-interest-bearing investment.

Currencies

The euro single currency depreciated considerably in relation to the US dollar in the third quarter, primarily as a result of the divergence between the economic performance of the euro zone and the USA. The Swiss franc appreciated slightly in relation to the euro over the past months, while the appreciation of the Japanese yen in the reporting period was minimal.

BUSINESS PERFORMANCE

The widespread media and political discussion of the possible insolvency of Hypo Alpe Adria Bank International AG have caused uncertainty among customers and investors since the beginning of the year. After the decision was taken to wind up the bank via a form of company organised under private law, in July 2014 the Austrian government agreed on the controversial „Hypo-Sondergesetz“ law for breaking up the bank. In the interests of the taxpayer, this law aims to achieve the best possible realisation of the Bank's assets and sharing of the costs by former owners and subordinated creditors. For restructuring purposes, subordinated bonds covered by the Carinthia state guarantee were declared void by law.

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft (referred to as Hypo Landesbank Vorarlberg for short) does not have any subordinated bonds of Hypo Alpe Adria Bank International AG in its portfolio and will not be directly affected by future measures during the implementation of this solution. A joint guarantee on the part of all member banks and the Austri-

an states exists only for the Pfandbriefstelle – as a joint issuing institution of the Austrian provincial mortgage banks – with regard to outstanding issues which are scheduled to be repaid almost in full by 2017.

The discussions preceding this change to the law prompted the rating agency Moody's to lower its rating for bonds with public guarantees in Austria. Eleven banks – including Hypo Landesbank Vorarlberg – were affected by a downgrade on 20 June 2014. With an A2 rating (negative outlook), Hypo Landesbank Vorarlberg is still among the best-rated all-purpose banks in Austria.

On the income statement

Hypo Landesbank Vorarlberg generated satisfactory earnings in the first nine months of 2014. Despite a massive increase in the stability fee from EUR 7.5 million to approximately EUR 12.8 million for 2014, operating earnings before taxes amounted to EUR 58.4 million as at 30 September 2014 (30 September 2013: EUR 66.1 million).

With earnings before taxes and after valuations of the liabilities side of EUR 58.2 million (30 September 2013: EUR 65.1 million), the Bank is on track with its medium-term planning. Net of taxes, Hypo Landesbank Vorarlberg posted consolidated net income of EUR 41.7 million as at 30 September 2014 (previous year: EUR 48.9 million). Hypo Landesbank Vorarlberg will continue to pursue its sustainable business model and conservative accounting policies.

As at 30 September 2014, net interest income after risk provisioning amounted to EUR 129.8 million and was thus 2.0 % higher than in the previous year. Customers' business remains largely stable. Sufficient provisions were made for all recognisable risks, but loan loss provisions are nonetheless down 8.3 % year-on-year. Net fee and commission income amounted to EUR 25.9 million (- 4.9 %) as at 30 September 2014. The net trading result is still influenced by uncertainties on the capital markets and was therefore down 4.9 % year-on-year at EUR 14.2 million in the third quarter.

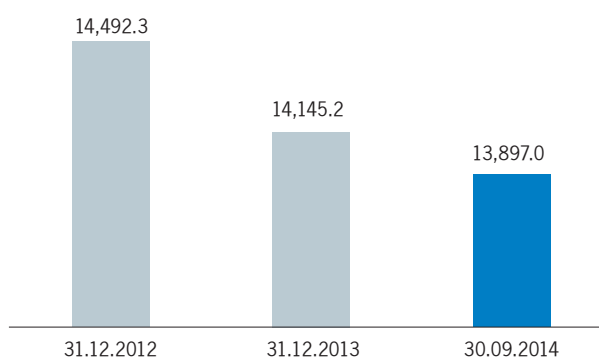
Administrative expenses amounted to EUR 69.4 million (30 September 2013: EUR 68.4 million), while staff costs increased from EUR 40.5 million to EUR 42.7 million. The headcount of 718 employees (weighted by employees' activity rate) was down 1.1 % in comparison to the previous year. Material expenses fell slightly year-on-year.

The cost/income ratio of 48.72 %, a ROE of 9.22 % and the debt/equity ratio in accordance with the CRR of 12.80 % underscore that Hypo Landesbank Vorarlberg is a healthy, successful and efficient bank.

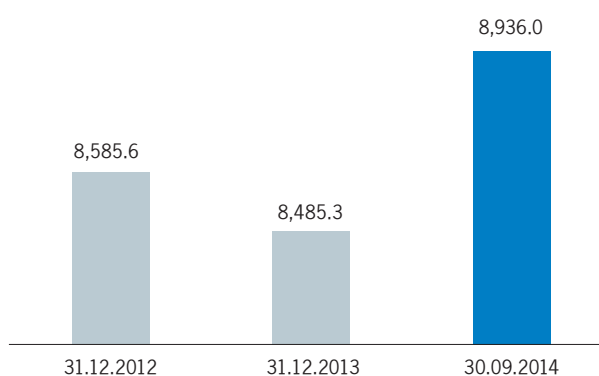
On the balance sheet development

As expected, total consolidated assets were down 1.8 % on the previous year's level at EUR 13,897.0 million as at 30 September 2014. EUR 8,936.0 million of this total was attributable to loans and advances to customers, representing an increase of 5.3 % as against 2013. Under liabilities and equity, liabilities to customers decreased in line with planning in the first half of the year and amounted to EUR 4,744.9 million. Financial liabilities at fair value amounted to EUR 4,541.9 million as at 30 September 2014.

Development of total assets (in EUR million)



Development of loans and advances to customers (in EUR million)



Capital resources

The paid-up capital of Hypo Landesbank Vorarlberg amounted to EUR 165.5 million. Equity in accordance with the CRR amounted to EUR 1,066.70 million as at 30 September 2014. With a debt/equity ratio of 12.80 % (31 December 2013: 15.42 %) and a core capital ratio of 9.33 % (31 December 2013: 10.34 %), Hypo Landesbank Vorarlberg already fulfils the highest expansion level of the Basel III standards applicable since 1 January 2014. These figures are comfortable in light of the risk profile. The corresponding figures from the previous year are still based on the provisions of the Austrian Banking Act (BWG), which were applicable up to the end of 2013 (Basel II).

The Managing Board will continue to pay particular attention to building up capital resources in order to maintain an excellent credit rating and therefore favourable refinancing for the future.

DEVELOPMENT BY SEGMENT

Corporate Customers/Public Sector

As Vorarlberg's leading corporate bank, Hypo Landesbank Vorarlberg offers leasing, insurance, equity and property services via its subsidiaries in addition to traditional banking products. Foreign services and expert advice and support with regard to funding programmes and institutions round off the financing portfolio.

As a result of new liquidity and refinancing requirements, the capital market is becoming increasingly important as a source of financing for companies. Hypo Landesbank Vorarlberg therefore expanded its range of services in 2014 and established the new "Debt Capital Markets" (DCM) business segment. In collaboration with Brüll Kallmus Bank, based in Graz, support is provided to companies, cities and federal states throughout Austria and southern Germany with the placement and processing of bond issues and promissory note loans.

As a result of the tense geopolitical situation, a somewhat weaker performance of the Austrian economy could be observed in the third quarter of 2014. This is countered by the stable state of the companies in Hypo Landesbank Vorarlberg's market areas, which is reflected in sustained credit growth, although the pace of growth has slowed considerably. The development in the markets of Vorarlberg and Styria is particularly positive. After demand for loans at Hypo Landesbank Vorarlberg improved in the first three quarters as against 2013, a decline in demand for loans combined with high pressure on conditions is expected again in the fourth quarter of 2014. The Bank won over customers for demand deposits and term deposits with its good conditions and above all with its credit standing.

As at 30 September 2014, net interest income of EUR 58.9 million, corresponding to an 8.4 % increase, had been generated in the Corporate Customers segment. This very positive result was primarily attributable to substantial volume increases. Loan loss provisions increased slightly again in the third quarter due to a continued conservative assessment in lending business. Overall, the Corporate Customers segment generated earnings before taxes of just under EUR 21.3 million in the first nine months of 2014.

Private Customers

In private customer business, Hypo Landesbank Vorarlberg is primarily characterised by the high quality of its consulting-intensive services. In residential construction financing, in securities business and with sophisticated forms of investments, the consultants respond flexibly to customers' wishes.

As before, a large number of customers are taking advantage of the low interest rates to purchase or renovate properties, resulting in a very high level of demand for loans in the first three quarters of 2014. However, it can also be observed that customers are using their savings deposits to repay loans early, resulting in a correspondingly high level of unscheduled repayments. Hypo Landesbank Vorarlberg takes account of individual financing needs with lending products such as the "Hypo-Lebenswert-Kredit", the "Hypo-Lebenszeit-Kredit" and the "Hypo-Kredit Zinslimit", while energy-saving investments are supported with special forms of loan such as the "Hypo-Klimakredit".

The low interest rate level is driving investors to reconsider the usual forms of investment. Their need for security has led to increased demand for short-term forms of investment, strategies involving value protection and non-cash assets – mainly property. The market situation also calls for the development of innovative new asset management products such as Hypo IQ Maximum Return and the Hypo Value Momentum (individual shares) strategy. In addition, the new Hypo Absolute Return fund will be launched in November.

Hypo Landesbank Vorarlberg's own issues are meeting with a high level of demand from customers and demonstrate their confidence in the security of the Bank. Bonds with a term of up to seven years are in particularly high demand.

As a result of the intense competition between banks in deposits business, as well as the falling key interest rates, there is still enormous pressure on margins, particularly in the private customers segment. In spite of this, an increase in net interest income to EUR 23.0 million was generated as at 30 September 2014 (2013: EUR 21.9 million). Net fee and commission income was also higher than the previous year's level at EUR 13.3 million (EUR 12.8 million). Overall, the private customers segment

generated earnings before taxes of EUR 5.9 million in the first nine months of 2014 (+ 14.2 %).

Private Banking and Asset Management

Hypo Landesbank Vorarlberg's core competencies in private banking are professional and long-term partnership-based customer support and the development of in-house asset management strategies. There was high demand again in the third quarter of 2014 for product innovations such as Hypo IQ Maximum Return, the Hypo Value Momentum (individual shares) strategy and the Hypo Weltdepot Dynamik 90 (shares) strategy with value protection. The Hypo Dynamik bond strategies surprised observers with an above-average performance this year – despite the historically low interest rates. The portfolio fund „Kapitalgewinn“, which invests in shares worldwide, was specially designed for small investors.

The new Hypo Absolute Return fund will be launched in November. This fund aims to generate continuous capital growth by means of broad diversification in different asset classes and the use of long-term value protection strategies. This investment objective is supported by investments in long/short bond and stock market index futures, meaning that profits are possible not only in rising markets but also in falling markets.

Overall, these asset management strategies led to additional mandates in the first three quarters of 2014. As at 30 September 2014, assets under management on the basis of mandates totalled EUR 618.9 million, with the number of mandates managed amounting to 2,790.

Owing to the high demand for individual optimisation of customer portfolios, Hypo Landesbank Vorarlberg's asset management division has developed its own risk/return optimisation tool. Based on customer requirements and market expectations, this tool calculates efficient portfolio combinations for customers that have the lowest level of risk for a given return. There is strong demand for this service from both private investors and large-scale investors. More than 300 customer portfolios have already been optimised using this professional tool.

Only Austrian bank with international performance standards in asset management

PricewaterhouseCoopers reviews the compliance of our asset management with the Global Investment Performance Standards (GIPS)® on an annual basis and last confirmed this in December 2012. Since 2005, Hypo Landesbank Vorarlberg has been the first and still the only Austrian bank whose asset management is certified according to these internationally-recognised standards.

Financial Markets/Treasury

Hypo Vorarlberg's funding activities in the second quarter of 2014 focused on the issue of the “EUR 500 million senior unsecured benchmark” bond, which serves to secure long-term liquidity combined with attractive conditions. The third quarter was dominated by buybacks of the Bank's own bonds. Overall, 20 buybacks of its own issues with a total volume of approximately EUR 165 million were carried out. As at the reporting date 30 September 2014, a net volume of approximately EUR 193 million was invested in bonds by ALM/Investment. The weighted remaining term of these new investments is 3.6 years. The total volume of nostro bonds as at the end of September 2014 amounted to EUR 3,128 million.

Hypo Landesbank Vorarlberg still has a good liquidity position. The Bank's readily accessible short-term liquidity amounted to approximately EUR 250 million as at 30 September 2014. This means there was an outflow of around EUR 300 million in the third quarter. The short-term money market rates are currently negative, so this decline in liquidity is therefore very positive from a money trading perspective. Compared to the previous quarter's low level, income from foreign exchange and interest rate hedges with customers was increased by a factor of two and a half.

Securities revenues at the Bank's branches amounted to approximately EUR 240 million in the third quarter of 2014, equivalent to a year-on-year decrease of around EUR 120 million or approximately 33.5 %. When compared over the long term, however, the revenues in the third quarter are to be regarded as average.

Thanks to the positive market development and the launch of a new special fund, the fund volume under management increased from EUR 6,646 million to EUR 6,839 million in the third quarter of 2014. This is equivalent to growth of EUR 193 million or 2.90 %.

The Financial Markets/Treasury business segment developed positively in the first nine months, generating earnings before taxes of EUR 23.8 million. The further performance will depend to a large extent on the development of the financial markets and the sovereign debt crisis.

Leasing and Real Estate

In addition to these business segments, the “Corporate Center” item includes investment refinancing. As at 30 September 2014, the earnings contribution of the Corporate Centre, which includes the Leasing and Real Estate business segments, amounted to EUR 7.3 million.

Since 2012, Hypo Landesbank Vorarlberg's entire Austrian leasing and real estate business has been combined in one company. The range of services offered by Hypo Immobilien & Leasing GmbH extends from real estate brokerage through property appraisal, construction management, property management and facility management to optimal financing solutions involving vehicle, movables and real estate leasing. Its main headquarters are the Hypo Office in Dornbirn.

While real estate brokerage services are offered at the offices in Bregenz, Bludenz and Feldkirch, leasing customers are supported by specialists in Dornbirn and Vienna.

Marketing activities in the Austrian leasing market are carried out by consultants at the offices of Hypo Landesbank Vorarlberg. The collaboration with Hypo Landesbank Vorarlberg was stepped up in 2013. Thanks to a new software package, consultants can now calculate leasing offers for their customers directly at branches. Vehicle leasing for private customers was also added to the product range.

The subsidiary in Bolzano (Hypo Vorarlberg Leasing AG) with branches in Como and Treviso develops leasing solutions in the real estate, renewable energy and municipality sectors and offers its products and services on the northern Italian market.

OUTLOOK

Weaker economic data and military conflicts in Russia and Ukraine and in the Middle East have resulted in uncertainty on the global financial markets. The renewed slowdown in world trade in recent months has prevented an export-driven upturn, both in Austria and in the rest of the euro zone. And because many countries have not yet overcome the effects of the financial market crisis, domestic demand also remains weak – in contrast to the USA. In Austria, low economic growth of 0.8 % is therefore anticipated for 2014, while in 2015 GDP is expected to grow by 1.2 %. A particular risk for the domestic economy is posed by a potential intensification of the Russia crisis. According to the WIFO, an economic upturn could come about if the new European Commission implements significant stimulus measures.

Focal areas for 2014

As part of the "Strategy Project 2018", the Managing Board determined that Hypo Landesbank Vorarlberg's strategy will continue to be characterised by high continuity in the future, too. New regulations require it to build up additional equity and secure a cost-optimal liquidity supply. To ensure Hypo Landesbank Vorarlberg's profitability on a sustainable basis, there is a particular focus on additional growth and earnings opportunities. Existing customer relationships are to be strengthened by means of cross-selling and the Bank's presence in growth mar-

kets outside its home market of Vorarlberg is to be increased. In corporate customer business, Hypo Landesbank Vorarlberg will continue to responsibly fulfil its role as Vorarlberg's leading corporate bank and supply companies in its existing markets with loans or support them in obtaining alternative forms of financing on the capital market. However, because the development of demand for loans declined considerably in the third quarter, a further decrease is anticipated in the fourth quarter of 2014. The robust state of the companies in the Bank's market areas means that below-average risk costs are still expected, while increased registrations for existing financing are also planned.

In private customer business, Hypo Landesbank Vorarlberg is very popular with investment customers thanks to its good credit standing and high level of security. The Bank will continue to meet its customers' need for security and flexibility with attractive conditions for savings deposits, while the focus in investment business will be on preserving assets and minimising risks. With regard to financing, continued willingness to invest is anticipated, as house building and renovation are still highly important.

In private banking and asset management, Hypo Landesbank Vorarlberg has developed an excellent reputation for itself in recent years and has established itself throughout Austria. Its assets include an innovative product range and expert, individual advice and support. Building on this foundation, the Bank plans to expand the top segment in investment business with entrepreneurs and high net worth private customers. To this end, a new location will be established in Vienna in mid-2015. The teams in Vorarlberg and Vienna have already been expanded.

Hypo Landesbank Vorarlberg is an advisory bank and also a modern bank that caters to customers' needs. For several years, it has been providing greater flexibility by offering various payment transactions and securities transactions (e-brokerage) online. The Bank has now also successfully positioned itself throughout Austria with its online savings platform hypodirekt.at. However, the branches will continue to represent the most important pillar for sales.

Expected earnings development in 2014

Despite several elements of political and economic uncertainty, the development in the first three quarters of 2014 was satisfactory overall. Interest-related business continues to represent a stable pillar of the earnings development. Hypo Landesbank Vorarlberg will continue to pursue cautious risk and accounting policies and will make corresponding additions to loan loss provisions. Particular attention has always been paid to a sustainable liquidity policy. The Bank therefore has extensive liquidity reserves that allow for further expansion of the lending volume.

By contrast, the Managing Board expects net fee and commission income to decline, primarily as a result of transferring fund accounting to Masterinvest. Operating expenses will rise moderately in comparison to the previous year and staff costs are also expected to increase slightly, whereas IT costs will be somewhat lower than the previous year's level.

In general, the Managing Board is anticipating a steep rise in costs for the Bank, partly due to the implementation of the Basel III requirements, the deposit protection fund and the massive increase in the stability fee for regional banks. The Managing Board is extremely critical of the extension and increase of the bank fee – both in light of the strengthening of capital resources that is required in the sector and also with regard to the unequal procurement of the funds. This will inevitably result in banking services becoming more expensive. Overall, the Managing Board is anticipating good annual earnings in 2014 but expects the figure to be lower than in 2013 as a result of declining income and higher costs.

DISCLAIMER: The centralised portfolio management of Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft having registered offices in Bregenz qualifies as a firm within the meaning of the Global Investment Performance Standards (GIPS®). The firm comprises all asset management mandates of private and institutional customers as well as public funds that are managed in the context of the bank's centralised investment process. It does not include decentralised organisational units and other units of the group that operate independently. The firm is in compliance with the GIPS®. For a list of all composites along with a detailed description, please contact Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft at: +43 (0)50 414-1281 or e-mail us at gips@hypovbg.at.

CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS AS AT 30 SEPTEMBER 2014
I. STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2014

Income Statement

| in '000 EUR | (Notes) | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 | Change in '000 EUR | Change in % |
|--|---------|-----------------------|-----------------------|-----------------------|----------------|
| Interest and similar income | | 206,212 | 202,753 | 3,459 | 1.7 |
| Interest and similar expenses | | -76,373 | -75,425 | -948 | 1.3 |
| Net interest income | (2) | 129,839 | 127,328 | 2,511 | 2.0 |
| Loan loss provisions | | -26,602 | -29,007 | 2,405 | -8.3 |
| Net interest income after loan loss provisions | | 103,237 | 98,321 | 4,916 | 5.0 |
| Fee and commission income | | 29,044 | 30,530 | -1,486 | -4.9 |
| Fee and commission expenses | | -3,168 | -3,332 | 164 | -4.9 |
| Net fee and commission income | (3) | 25,876 | 27,198 | -1,322 | -4.9 |
| Net result on hedge accounting | (4) | 567 | -218 | 785 | - |
| Net trading result | (5) | 14,190 | 16,573 | -2,383 | -14.4 |
| Net result from other financial instruments | | -2,188 | -3,064 | 876 | -28.6 |
| Administrative expenses | (6) | -69,445 | -68,416 | -1,029 | 1.5 |
| Other income | | 11,039 | 11,100 | -61 | -0.6 |
| Other expenses | | -23,625 | -15,610 | -8,015 | 51.3 |
| Result from equity consolidation | | -1,247 | 208 | -1,455 | - |
| Operating result before change in own credit risk | | 58,404 | 66,092 | -7,688 | -11.6 |
| Result from change in own credit risk | | -192 | -954 | 762 | -79.9 |
| Earnings before taxes | | 58,212 | 65,138 | -6,926 | -10.6 |
| Taxes on income | | -16,475 | -16,288 | -187 | 1.1 |
| Consolidated net income | | 41,737 | 48,850 | -7,113 | -14.6 |
| Of which attributable to: | | | | | |
| Parent company shareholders | | 41,723 | 48,835 | -7,112 | -14.6 |
| Non-controlling interests | | 14 | 15 | -1 | -6.7 |

Statement of comprehensive income

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 | Change in '000 EUR | Change in % |
|--|-----------------------|-----------------------|-----------------------|----------------|
| Consolidated net income | 41,737 | 48,850 | -7,113 | -14.6 |
| Items which can be reclassified to consolidated net income | | | | |
| Changes to foreign currency translation reserve | 9 | -7 | 16 | - |
| Changes to AFS revaluation reserve | 3,206 | 6,151 | -2,945 | -47.9 |
| of which changes in measurement | 4,886 | 7,855 | -2,969 | -37.8 |
| of which changes in holdings | -611 | 346 | -957 | - |
| of which income tax effects | -1,069 | -2,050 | 981 | -47.9 |
| Total items which can be reclassified to consolidated net income | 3,215 | 6,144 | -2,929 | -47.7 |
| Items which cannot be reclassified to consolidated net income | | | | |
| Changes to IAS 19 revaluation reserve | 0 | 0 | 0 | 0.0 |
| of which changes in measurement | 0 | 0 | 0 | 0.0 |
| of which income tax effects | 0 | 0 | 0 | 0.0 |
| Total items which cannot be reclassified to consolidated net income | 0 | 0 | 0 | 0.0 |
| Other income after taxes | 3,215 | 6,144 | -2,929 | -47.7 |
| Total comprehensive income | 44,952 | 54,994 | -10,042 | -18.3 |
| Of which attributable to: | | | | |
| Parent company shareholders | 44,938 | 54,979 | -10,041 | -18.3 |
| Non-controlling interests | 14 | 15 | -1 | -6.7 |

II. BALANCE SHEET DATED 30 SEPTEMBER 2014

Assets

| in '000 EUR | (Notes) | 30.09.2014 | 31.12.2013 | Change in '000 EUR | Change in % |
|---------------------------------------|---------|-------------------|-------------------|-----------------------|----------------|
| Cash and balances with central banks | | 106,583 | 593,422 | -486,839 | -82.0 |
| Loans and advances to banks | | 1,072,883 | 1,113,957 | -41,074 | -3.7 |
| Loans and advances to customers | | 8,935,956 | 8,485,284 | 450,672 | 5.3 |
| Positive market values of hedges | (7) | 53,062 | 5,442 | 47,620 | >100.0 |
| Trading assets and derivatives | (8) | 588,863 | 574,137 | 14,726 | 2.6 |
| Financial assets – at fair value | (9) | 1,141,976 | 1,182,716 | -40,740 | -3.4 |
| Financial assets – available for sale | (10) | 710,012 | 778,923 | -68,911 | -8.8 |
| Financial assets – held to maturity | (11) | 1,066,136 | 1,175,548 | -109,412 | -9.3 |
| Shares in companies valued at equity | | 33,757 | 36,449 | -2,692 | -7.4 |
| Investment property | | 55,166 | 54,556 | 610 | 1.1 |
| Intangible assets | | 1,269 | 1,618 | -349 | -21.6 |
| Property, plant and equipment | | 73,449 | 74,684 | -1,235 | -1.7 |
| Tax assets | | 563 | 820 | -257 | -31.3 |
| Deferred tax assets | | 5,316 | 6,615 | -1,299 | -19.6 |
| Non-current assets available for sale | | 7,271 | 3,953 | 3,318 | 83.9 |
| Other assets | | 44,765 | 57,053 | -12,288 | -21.5 |
| Total Assets | | 13,897,027 | 14,145,177 | -248,150 | -1.8 |

Liabilities and shareholders' equity

| in '000 EUR | (Notes) | 30.09.2014 | 31.12.2013 | Change in '000 EUR | Change in % |
|---|---------|-------------------|-------------------|-----------------------|----------------|
| Amounts owed to banks | | 605,423 | 687,965 | -82,542 | -12.0 |
| Amounts owed to customers | | 4,744,931 | 4,815,650 | -70,719 | -1.5 |
| Liabilities evidenced by certificates | (12) | 2,260,399 | 1,894,590 | 365,809 | 19.3 |
| Negative market values of hedges | (7, 13) | 147,771 | 126,743 | 21,028 | 16.6 |
| Trading liabilities and derivatives | (8, 14) | 246,696 | 238,222 | 8,474 | 3.6 |
| Financial liabilities – at fair value | (15) | 4,541,916 | 5,123,337 | -581,421 | -11.3 |
| Provisions | | 33,496 | 41,608 | -8,112 | -19.5 |
| Tax liabilities | | 6,846 | 7,874 | -1,028 | -13.1 |
| Deferred tax liabilities | | 4,907 | 2,486 | 2,421 | 97.4 |
| Other liabilities | | 88,006 | 40,505 | 47,501 | >100.0 |
| Subordinated and supplementary capital | | 328,410 | 319,098 | 9,312 | 2.9 |
| Shareholders' equity | | 888,226 | 847,099 | 41,127 | 4.9 |
| Of which attributable to: | | | | | |
| Parent company shareholders | | 888,173 | 847,036 | 41,137 | 4.9 |
| Non-controlling interests | | 53 | 63 | -10 | -15.9 |
| Total Liabilities and shareholder's equity | | 13,897,027 | 14,145,177 | -248,150 | -1.8 |

III. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| in '000 EUR | Subscribed capital | Capital reserve | Retained earnings and other reserves | Revaluation reserve (available for sale) | Reserves from currency translation | Total parent company shareholders | Non-controlling interests | Total Shareholders' equity |
|----------------------------------|--------------------|-----------------|--------------------------------------|--|------------------------------------|-----------------------------------|---------------------------|----------------------------|
| Balance 1 January 2013 | 165,453 | 48,874 | 550,836 | 3,928 | 9 | 769,100 | 67 | 769,167 |
| Consolidated net income | 0 | 0 | 48,835 | 0 | 0 | 48,835 | 15 | 48,850 |
| Other income | 0 | 0 | 13 | 6,151 | -20 | 6,144 | 0 | 6,144 |
| Comprehensive income 2013 | 0 | 0 | 48,848 | 6,151 | -20 | 54,979 | 15 | 54,994 |
| Dividends | 0 | 0 | -3,424 | 0 | 0 | -3,424 | 0 | -3,424 |
| Distributions to third parties | 0 | 0 | 0 | 0 | 0 | 0 | -24 | -24 |
| Balance 30 September 2013 | 165,453 | 48,874 | 596,260 | 10,079 | -11 | 820,655 | 58 | 820,713 |
| Balance 1 January 2014 | 165,453 | 48,874 | 621,606 | 11,107 | -4 | 847,036 | 63 | 847,099 |
| Consolidated net income | 0 | 0 | 41,723 | 0 | 0 | 41,723 | 14 | 41,737 |
| Other income | 0 | 0 | 6 | 3,207 | 2 | 3,215 | 0 | 3,215 |
| Comprehensive income 2014 | 0 | 0 | 41,729 | 3,207 | 2 | 44,938 | 14 | 44,952 |
| Dividends | 0 | 0 | -3,801 | 0 | 0 | -3,801 | 0 | -3,801 |
| Distributions to third parties | 0 | 0 | 0 | 0 | 0 | 0 | -24 | -24 |
| Balance 30 September 2014 | 165,453 | 48,874 | 659,534 | 14,314 | -2 | 888,173 | 53 | 888,226 |

In accordance with Austrian banking regulations, the Company's share capital and issued participation capital are shown as subscribed capital.

IV. CONDENSED CASH FLOW STATEMENT

Reconciliation to cash and balances with central banks

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|--|-----------------------|-----------------------|
| Cash and balances with central banks as at 1 January | 593,422 | 532,010 |
| Cash flows from operating activities | -806,081 | -561,651 |
| Cash flows from investing activities | 325,926 | 107,243 |
| Cash flows from financing activities | -6,684 | -6,510 |
| Cash and balances with central banks as at 30 September | 106,583 | 71,092 |

V. NOTES

A. ACCOUNTING POLICIES

(1) GENERAL INFORMATION

The same accounting standards observed in preparing the consolidated annual financial statements dated 31 December 2013 were applied to the consolidated interim financial statements. There have been no changes in measurement principles applied with respect to the 31 December 2013 statements.

The Banking Group's quarterly report has not been audited or reviewed by an auditor.

B. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

(2) NET INTEREST INCOME

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|--|-----------------------|-----------------------|
| Income from cash and balances with central banks | 65 | 224 |
| Income from loans and advances to banks | 9,949 | 8,894 |
| Income from loans and advances to customers | 119,003 | 113,526 |
| Income from leasing business | 19,891 | 20,015 |
| Income from hedging instruments | 5,702 | 3,541 |
| Income from derivatives, other | 3,807 | 2,727 |
| Income from debt securities | 45,570 | 51,725 |
| Income from shares | 1,651 | 1,746 |
| Income from investments in affiliated companies | 0 | 50 |
| Income from investments in associated companies | 574 | 305 |
| Interest and similar income | 206,212 | 202,753 |
| Expenses from amounts owed to banks | -2,503 | -3,018 |
| Expenses from amounts owed to customers | -27,985 | -29,272 |
| Expenses from liabilities evidenced by certificates | -10,945 | -6,613 |
| Expenses from hedging instruments | -23,577 | -26,485 |
| Expenses from derivatives, other | -944 | -1,209 |
| Expenses from liabilities designated AFV | -5,767 | -4,236 |
| Expenses from subordinated and supplementary capital | -4,652 | -4,592 |
| Interest and similar expenses | -76,373 | -75,425 |
| Net interest income | 129,839 | 127,328 |

(3) NET FEE AND COMMISSION INCOME

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|----------------------------------|-----------------------|-----------------------|
| Lending and leasing business | 2,783 | 2,913 |
| Securities business | 13,023 | 14,040 |
| Giro and payment transactions | 9,879 | 10,142 |
| Other service business | 3,359 | 3,435 |
| Fee and commission income | 29,044 | 30,530 |

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|------------------------------------|-----------------------|-----------------------|
| Lending and leasing business | -630 | -671 |
| Securities business | -1,165 | -1,065 |
| Giro and payment transactions | -1,328 | -493 |
| Other service business | -45 | -1,103 |
| Fee and commission expenses | -3,168 | -3,332 |

(4) NET RESULT ON HEDGE ACCOUNTING

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|---|-----------------------|-----------------------|
| Adjustment to loans and advances to banks | 4,711 | -5,329 |
| Adjustment to loans and advances to customers | 15,199 | -10,362 |
| Adjustment to financial instruments available for sale | 14,889 | -18,550 |
| Adjustment to liabilities to banks | -39 | 0 |
| Adjustment to liabilities to customers | -12,275 | 691 |
| Adjustment to securitised liabilities | -48,532 | 12,267 |
| Adjustment to subordinated and supplementary capital | -7,566 | 3,130 |
| Net result from adjustment to underlying transactions from hedging | -33,613 | -18,153 |
| Measurement of hedging instruments for loans and advances to banks | -5,338 | 5,663 |
| Measurement of hedging instruments for loans and advances to customers | -15,522 | 10,356 |
| Measurement of hedging instruments for available for sale financial instruments | -15,358 | 18,790 |
| Measurement of hedging instruments for banks | 31 | 0 |
| Measurement of hedging instruments for liabilities to customers | 12,183 | -847 |
| Measurement of hedging instruments for securitised liabilities | 49,232 | -12,334 |
| Measurement of hedging instruments for subordinated and supplementary capital | 8,952 | -3,693 |
| Net result of the measurement of hedging instruments | 34,180 | 17,935 |
| Net result from hedging | 567 | -218 |

(5) NET TRADING RESULT

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|--|-----------------------|-----------------------|
| Trading Results | 3,145 | 658 |
| Result from the valuation of financial instruments – HFT | 67 | 44 |
| Result from the valuation of derivatives | 11,658 | -112,562 |
| Result from the valuation of financial instruments – AFV | -680 | 128,433 |
| Net trading result | 14,190 | 16,573 |

(6) ADMINISTRATIVE EXPENSES

Group administrative expenses consist of staff costs, material expenses and depreciation/amortisation of property, plant and equipment and intangible assets.

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|--|-----------------------|-----------------------|
| Staff costs | -42,674 | -40,508 |
| Material expenses | -23,060 | -23,567 |
| Depreciation/amortisation of property, plant and equipment and intangible assets | -3,711 | -4,341 |
| Administrative expenses | -69,445 | -68,416 |

Of which staff costs

| in '000 EUR | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|---|-----------------------|-----------------------|
| Wages and salaries | -31,801 | -30,850 |
| Statutory social security contributions | -8,437 | -8,092 |
| Voluntary social benefits | -620 | -259 |
| Expenses for retirement benefits | -1,796 | -1,179 |
| Social capital | -20 | -128 |
| Staff costs | -42,674 | -40,508 |

C. NOTES TO THE BALANCE SHEET**(7) POSITIVE MARKET VALUES OF HEDGES****Breakdown by type of hedge**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|---|---------------|--------------|
| Positive market values of fair value hedges | 46,272 | 5,052 |
| Deferred interest on derivative hedges | 6,790 | 390 |
| Positive market values of hedges | 53,062 | 5,442 |

Nominal values of fair value hedges – breakdown by type of business

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|------------------|------------------|
| Interest rate swaps | 2,478,448 | 2,054,590 |
| Cross currency swaps | 102,117 | 66,937 |
| Interest rate derivatives | 2,580,565 | 2,121,527 |
| Nominal values of fair value hedges | 2,580,565 | 2,121,527 |

Positive market values of fair value hedges – breakdown by type of business

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|---------------|--------------|
| Interest rate swaps | 44,477 | 2,777 |
| Cross currency swaps | 1,795 | 2,275 |
| Interest rate derivatives | 46,272 | 5,052 |
| Positive market values of fair value hedges | 46,272 | 5,052 |

The Group did not enter into any cash flow hedge positions in the reporting year or the previous year.

(8) TRADING ASSETS AND DERIVATES**Trading assets and derivatives – breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|----------------|----------------|
| Debt securities of other issuers | 1,091 | 190 |
| Investment certificates | 671 | 759 |
| Positive market values of derivative financial instruments | 537,175 | 513,056 |
| Deferred interest | 49,926 | 60,132 |
| Trading assets and derivatives | 588,863 | 574,137 |

Nominal values from derivatives – breakdown by type of business

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|------------------|------------------|
| Interest rate swaps | 6,086,797 | 6,518,537 |
| Cross currency swaps | 1,031,726 | 792,449 |
| Interest rate options | 422,320 | 600,452 |
| Interest rate derivatives | 7,540,843 | 7,911,438 |
| FX forward transactions | 745,805 | 1,074,858 |
| FX swaps | 167,252 | 608,638 |
| FX options | 2,134 | 5,785 |
| Currency derivatives | 915,191 | 1,689,281 |
| Nominal values from derivatives | 8,456,034 | 9,600,719 |

**Positive market values from derivatives –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|----------------|----------------|
| Interest rate swaps | 427,683 | 397,662 |
| Cross currency swaps | 94,660 | 95,261 |
| Interest rate options | 3,784 | 3,470 |
| Interest rate derivatives | 526,127 | 496,393 |
| FX forward transactions | 10,434 | 15,862 |
| FX swaps | 470 | 529 |
| FX options | 144 | 272 |
| Currency derivatives | 11,048 | 16,663 |
| Positive market values from derivatives | 537,175 | 513,056 |

(9) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE (AFV)

**Financial assets designated at fair value –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|---|------------------|------------------|
| Debt securities of public issuers | 284,804 | 294,102 |
| Debt securities of other issuers | 292,494 | 346,127 |
| Investment certificates | 3,419 | 0 |
| Other equity interests | 5,447 | 5,431 |
| Loans and advances to customers | 548,992 | 527,541 |
| Deferred interest | 6,820 | 9,515 |
| Financial assets – at fair value | 1,141,976 | 1,182,716 |

(10) FINANCIAL ASSETS AVAILABLE FOR SALE (AFS)

**Financial assets available for sale –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|----------------|----------------|
| Debt securities of public issuers | 246,516 | 231,053 |
| Debt securities of other issuers | 402,887 | 486,118 |
| Shares | 110 | 110 |
| Investment certificates | 18,157 | 16,200 |
| Other equity interests | 19,228 | 18,594 |
| Deferred interest | 11,293 | 15,325 |
| Other equity investments | 11,727 | 11,429 |
| Other investments in affiliated companies | 94 | 94 |
| Financial assets – available for sale | 710,012 | 778,923 |

(11) FINANCIAL ASSETS - HELD TO MATURITY (HTM)

**Financial assets held to maturity –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|------------------|------------------|
| Debt securities of public issuers | 305,907 | 301,816 |
| Debt securities of other issuers | 734,256 | 841,885 |
| Supplementary capital of other issuers | 9,984 | 9,979 |
| Deferred interest | 15,989 | 21,868 |
| Financial assets – held to maturity | 1,066,136 | 1,175,548 |

(12) LIABILITIES EVIDENCED BY CERTIFICATES (LAC)

**Liabilities evidenced by certificates –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|------------------|------------------|
| Mortgage bonds | 615,059 | 579,674 |
| Municipal bonds | 40,590 | 152,237 |
| Medium-term fixed-rate notes | 2,022 | 2,302 |
| Bonds | 1,073,837 | 579,526 |
| Housing construction bonds | 70,142 | 94,234 |
| Bonds issued by Pfandbriefstellen | 450,514 | 476,360 |
| Deferred interest | 8,235 | 10,257 |
| Liabilities evidenced by certificates | 2,260,399 | 1,894,590 |

(13) NEGATIVE MARKET VALUES OF HEDGES

Breakdown by type of hedge

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|---|----------------|----------------|
| Negative market values of fair value hedges | 129,429 | 111,714 |
| Deferred interest on derivative hedging instruments | 18,342 | 15,029 |
| Negative market values of hedges | 147,771 | 126,743 |

**Negative market values of fair value hedges –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|----------------|----------------|
| Interest rate swaps | 105,083 | 104,079 |
| Cross-currency swaps | 24,346 | 7,635 |
| Interest rate derivatives | 129,429 | 111,714 |
| Negative market values of fair value hedges | 129,429 | 111,714 |

The nominal values of the hedging instruments are shown in Note (7). The Group did not enter into any cash flow hedge positions in the reporting year or the previous year.

(14) TRADING LIABILITIES AND DERIVATIVES**Trading liabilities and derivatives –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|----------------|----------------|
| Negative market values of derivative financial instruments | 238,878 | 232,031 |
| Other trading liabilities | 101 | 0 |
| Deferred interest | 7,717 | 6,191 |
| Trading liabilities and derivatives | 246,696 | 238,222 |

**Negative market values from derivatives –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|----------------|----------------|
| Interest rate swaps | 179,349 | 171,724 |
| Cross-currency swaps | 45,893 | 36,632 |
| Interest rate options | 2,461 | 2,481 |
| Interest rate derivatives | 227,703 | 210,837 |
| FX forward transactions | 9,982 | 15,408 |
| FX swaps | 1,049 | 5,513 |
| FX options | 144 | 273 |
| Currency derivatives | 11,175 | 21,194 |
| Negative market values from derivatives | 238,878 | 232,031 |

The nominal values of the derivative financial instruments are shown in Note (8).

**(15) FINANCIAL LIABILITIES DESIGNATED
AT FAIR VALUE (LAFV)****Financial liabilities designated at fair value –
breakdown by type of business**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|---|------------------|------------------|
| Amounts owed to banks at fair value | 153,526 | 151,956 |
| Amounts owed to customers at fair value | 577,137 | 578,729 |
| Mortgage bonds at fair value | 26,465 | 24,248 |
| Municipal bonds at fair value | 750,137 | 700,737 |
| Bonds at fair value | 2,560,114 | 3,087,055 |
| Housing construction bonds at fair value | 154,327 | 143,198 |
| Bonds issued by Pfandbriefstellen at fair value | 210,226 | 313,099 |
| Subordinated capital at fair value | 40,506 | 39,674 |
| Supplementary capital at fair value | 21,822 | 21,404 |
| Deferred interest | 47,656 | 63,237 |
| Financial liabilities at fair value | 4,541,916 | 5,123,337 |

D. FURTHER IFRS INFORMATION**(16) CONTINGENT LIABILITIES AND CREDIT RISKS****Contingent liabilities**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|---------------------------------------|----------------|----------------|
| Liabilities from financial guarantees | 353,924 | 277,606 |
| Other contingent liabilities | 44,096 | 33,652 |
| Contingent liabilities | 398,020 | 311,258 |

**Credit risks in accordance with section 51 (14) of the Austrian
Banking Act (BWG)**

| in '000 EUR | 30.09.2014 | 31.12.2013 |
|--|------------------|------------------|
| Loan commitments and unutilised credit lines | 1,636,030 | 1,610,378 |
| Credit risks | 1,636,030 | 1,610,378 |

(17) HUMAN RESOURCES

| | 01.01.– 30.09.2014 | 01.01.– 30.09.2013 |
|------------------------------------|-----------------------|-----------------------|
| Full-time salaried staff | 633 | 647 |
| Part-time salaried staff | 74 | 67 |
| Apprentices | 8 | 9 |
| Full-time other employees | 3 | 3 |
| Average number of employees | 718 | 726 |

(18) DISCLOSURES ON FAIR VALUE**Fair value hierarchy for financial instruments recognised at fair value**

| in '000 EUR | | | | |
|---|------------------|------------------|------------------|------------------|
| 31.12.2013 | Level 1 | Level 2 | Level 3 | Total |
| Derivative hedging instruments | 0 | 5,442 | 0 | 5,442 |
| Assets held for trading and derivatives | 953 | 498,680 | 74,504 | 574,137 |
| Financial assets – at fair value | 234,843 | 407,346 | 540,527 | 1,182,716 |
| Financial assets – available for sale | 730,630 | 18 | 48,275 | 778,923 |
| Total assets | 966,426 | 911,486 | 663,306 | 2,541,218 |
| Reclassification from Levels 2 and 3 to Level 1 | 199,570 | -174,191 | -25,379 | 0 |
| Reclassification from Levels 1 and 3 to Level 2 | -17 | 227,021 | -227,004 | 0 |
| Derivative hedging instruments | 0 | 126,545 | 198 | 126,743 |
| Liabilities held for trading and derivatives | 0 | 222,612 | 15,610 | 238,222 |
| Financial liabilities – at fair value | 2,008,601 | 999,415 | 2,115,321 | 5,123,337 |
| Total liabilities | 2,008,601 | 1,348,572 | 2,131,129 | 5,488,302 |
| in '000 EUR | | | | |
| 30.09.2014 | Level 1 | Level 2 | Level 3 | Total |
| Derivative hedging instruments | 0 | 53,062 | 0 | 53,062 |
| Assets held for trading and derivatives | 1,761 | 475,547 | 111,555 | 588,863 |
| Financial assets – at fair value | 227,391 | 583,431 | 331,154 | 1,141,976 |
| Financial assets – available for sale | 671,432 | 0 | 38,580 | 710,012 |
| Total assets | 900,584 | 1,112,040 | 481,289 | 2,493,913 |
| Reclassification from Levels 2 and 3 to Level 1 | 25,147 | -16,985 | -8,162 | 0 |
| Reclassification from Levels 1 and 3 to Level 2 | 0 | 240,018 | -240,018 | 0 |
| Derivative hedging instruments | 0 | 139,191 | 8,580 | 147,771 |
| Liabilities held for trading and derivatives | 100 | 243,468 | 3,128 | 246,696 |
| Financial liabilities – at fair value | 2,066,128 | 389,052 | 2,086,736 | 4,541,916 |
| Total liabilities | 2,066,228 | 771,711 | 2,098,444 | 4,936,383 |

Development of financial instruments in Level 3

| in '000 EUR 2013 | Opening balance | Purchases/ issues | Sales/ repay- ments | Addition from Level 1 and Level 2 | Reclassi- fication to Level 1 and Level 2 | Changes in fair value | Closing balance |
|--|--------------------|----------------------|---------------------------|--|--|-----------------------------|--------------------|
| Assets held for trading, derivatives | 0 | 0 | 0 | 56,159 | 0 | 18,345 | 74,504 |
| Financial assets – at fair value | 566,268 | 45,864 | -263,018 | 466,679 | -272,219 | -3,047 | 540,527 |
| Financial assets – available for sale | 48,559 | 335 | -11,409 | 8,163 | 0 | 2,627 | 48,275 |
| Total assets | 614,827 | 46,199 | -274,427 | 531,001 | -272,219 | 17,925 | 663,306 |
| Derivative hedging instru- ments | 0 | 0 | 0 | 198 | 0 | 0 | 198 |
| Liabilities held for trading, derivatives | 0 | 0 | 0 | 2,555 | 0 | 13,055 | 15,610 |
| Financial liabilities – at fair value | 0 | 117,000 | 0 | 2,002,994 | 0 | -4,673 | 2,115,321 |
| Total liabilities | 0 | 117,000 | 0 | 2,005,747 | 0 | 8,382 | 2,131,129 |
| in '000 EUR 2014 | Opening balance | Purchases/ issues | Sales/ repay- ments | Addition from Level 1 and Level 2 | Reclassi- fication to Level 1 and Level 2 | Changes in fair value | Closing balance |
| Assets held for trading | 74,504 | 0 | 0 | 613 | -2,750 | 39,188 | 111,555 |
| Financial assets – at fair value | 540,527 | 10,000 | -2,911 | 0 | -220,538 | 4,076 | 331,154 |
| Financial assets – available for sale | 48,275 | 119 | -4,717 | 1,404 | -8,163 | 1,662 | 38,580 |
| Total assets | 663,306 | 10,119 | -7,628 | 2,017 | -231,451 | 44,926 | 481,289 |
| Derivative hedging instru- ments | 198 | 0 | 0 | 0 | 0 | 8,382 | 8,580 |
| Liabilities held for trading | 15,610 | 0 | 0 | 0 | -4 | -12,478 | 3,128 |
| Financial liabilities – at fair value | 2,115,321 | 3,000 | -107,070 | 25,228 | -22,440 | 72,697 | 2,086,736 |
| Total liabilities | 2,131,129 | 3,000 | -107,070 | 25,228 | -22,444 | 68,601 | 2,098,444 |

The changes in fair value given relate only to financial instruments which were still held in Level 3 at the end of the reporting period.

Disclosures regarding sensitivities

| in '000 EUR | Positive fair value change with alternative measurement parameters | | Negative fair value change with alternative measurement parameters | |
|---------------------------------------|--|---------------|--|---------------|
| | 30.09.2014 | 31.12.2013 | 30.09.2014 | 31.12.2013 |
| Derivatives | 630 | 377 | 965 | 361 |
| Financial assets – at fair value | 2,743 | 3,428 | 4,077 | 5,135 |
| of which securities | 2,153 | 81 | 3,352 | 120 |
| of which loans and credits | 590 | 3,347 | 725 | 5,015 |
| Financial assets – available for sale | 429 | 440 | 456 | 473 |
| Financial liabilities – at fair value | 11,350 | 10,815 | 11,350 | 10,815 |
| of which issues | 8,240 | 7,305 | 8,240 | 7,305 |
| of which time deposits | 3,110 | 3,510 | 3,110 | 3,510 |
| Total | 15,152 | 15,060 | 16,848 | 16,784 |

E. SEGMENT REPORTING

Reporting by business segment

| in '000 EUR | | Corporate Customers | Private Customers | Financial Markets | Corporate Center | Total |
|--|-------------|---------------------|-------------------|-------------------|------------------|---------------|
| Net interest income | 2014 | 58,944 | 23,014 | 20,846 | 27,035 | 129,839 |
| | 2013 | 54,378 | 21,850 | 22,134 | 28,966 | 127,328 |
| Loan loss provisions | 2014 | -21,343 | -761 | -88 | -4,410 | -26,602 |
| | 2013 | -16,767 | 212 | 286 | -12,738 | -29,007 |
| Net fee and commission income | 2014 | 8,658 | 13,253 | 2,067 | 1,898 | 25,876 |
| | 2013 | 9,188 | 12,779 | 3,020 | 2,211 | 27,198 |
| Result from hedge relationships | 2014 | 0 | 0 | 567 | 0 | 567 |
| | 2013 | 0 | 0 | -218 | 0 | -218 |
| Net trading result | 2014 | 1,316 | 983 | 12,006 | -115 | 14,190 |
| | 2013 | 1,686 | 1,139 | 13,702 | 46 | 16,573 |
| Result from other financial instruments | 2014 | 0 | 0 | 789 | -2,977 | -2,188 |
| | 2013 | 0 | 0 | -3,195 | 131 | -3,064 |
| Administrative expenses | 2014 | -23,093 | -30,690 | -7,350 | -8,312 | -69,445 |
| | 2013 | -22,583 | -30,201 | -8,077 | -7,555 | -68,416 |
| Other income | 2014 | 361 | 275 | 9 | 10,394 | 11,039 |
| | 2013 | 899 | 260 | 7 | 9,934 | 11,100 |
| Other expenses | 2014 | -3,515 | -217 | -4,892 | -15,001 | -23,625 |
| | 2013 | -2,605 | -908 | -2,794 | -9,303 | -15,610 |
| Result from equity consolidation | 2014 | 0 | 0 | 0 | -1,247 | -1,247 |
| | 2013 | 0 | 0 | 0 | 208 | 208 |
| Operating result before change in own credit risk | 2014 | 21,328 | 5,857 | 23,954 | 7,265 | 58,404 |
| | 2013 | 24,196 | 5,131 | 24,865 | 11,900 | 66,092 |
| Result from change in own credit risk | 2014 | 0 | 0 | -192 | 0 | -192 |
| | 2013 | 0 | 0 | -954 | 0 | -954 |
| Earnings before taxes | 2014 | 21,328 | 5,857 | 23,762 | 7,265 | 58,212 |
| | 2013 | 24,196 | 5,131 | 23,911 | 11,900 | 65,138 |
| Assets | 2014 | 5,633,017 | 1,824,997 | 4,693,339 | 1,745,674 | 13,897,027 |
| | 2013 | 5,332,714 | 1,741,012 | 5,383,898 | 1,687,553 | 14,145,177 |
| Liabilities and shareholders' equity | 2014 | 2,212,409 | 2,890,565 | 8,007,355 | 786,698 | 13,897,027 |
| | 2013 | 2,187,469 | 2,447,023 | 8,973,071 | 537,614 | 14,145,177 |
| Liabilities (incl. own issues) | 2014 | 1,842,444 | 2,801,089 | 7,814,730 | 550,538 | 13,008,801 |
| | 2013 | 1,786,199 | 2,355,181 | 8,801,530 | 355,168 | 13,298,078 |

F. FINANCIAL RISKS AND RISK MANAGEMENT

The full disclosure on the organisational structure, risk management and the risk capital situation (per Section 26 Austrian Banking Act and the Disclosure Implementation Regulation – Off-VO and CRR) are posted on the internet at www.hypovbg.at

(19) OVERALL RISK MANAGEMENT

The Bank's operations involve the following risks:

- **Credit risk:** This includes the counterparty default risk, as well as the risk of deteriorating credit standing. Risks may also result from the use of credit risk mitigation methods.

- **Market risks:** The common characteristic of these risks is that they result from price changes in money and capital markets. Market price risks are categorised as interest rate, spread change, stock price, foreign currency or commodity risks.
- **Liquidity risk:** Liquidity risks can be broken down into maturity and retrieval risks, structural liquidity risk (rollover financing risk) and market liquidity risk. Maturity risk is an unplanned extension of maturities in the lending business. Retrieval risk is the risk that credit commitments are unexpectedly utilised or deposits withdrawn. As a result, a bank may no longer be able to fully meet its payment obligations. Structural liquidity risk arises from the possibility that the

required roll-over financing may only be available at less favourable conditions, or not at all. Market liquidity risk is in evidence when positions can only be sold immediately by taking a loss.

- **Operational risk:** This includes the risk of direct or indirect losses caused by human error, process deficits, technological failure, or external influence. Operational risks also include legal risk.
- **Shareholder risk:** This covers items including private equity, mezzanine financing, subordinated financing and investments in funds with these components. This also includes subordinated banking securities.
- **Real estate risk:** This refers to the risk of fluctuations in the value of property owned by the Group. This especially includes properties which serve as collateral (including leased assets) and cannot be sold promptly to third parties as part of realisation (“foreclosed assets”). This does not include owner-occupied properties.
- **Other risks:** These include above all those types of risks for which only rudimentary or no quantification methods exist. Specifically, strategic, reputation, equity, performance and business risks may be classified as other risks.

The Bank manages these risks in order to limit the overall bank risk. The Managing Board is responsible for the risk management of Hypo Landesbank Vorarlberg. Accordingly, it approves the principles of risk control and the risk measurement procedures. Additionally, it establishes the Bank’s willingness to take risks and defines limits for all relevant types of risk based on the bank’s risk-absorbing capacity.

The Bank reviews the effects of economic and market developments on the income statement and net assets on an ongoing basis.

The overall risk management of Hypo Landesbank Vorarlberg is based on a strict separation between Front Office and Back Office. The risk management functions of Hypo Landesbank Vorarlberg are bundled under the responsibility of the Managing Board member responsible for risk management. Risk controlling at Hypo Landesbank Vorarlberg is developed and implemented by group risk controlling. This unit measures the risks on a group level. The independent assessment and approval of credit applications is carried out by the credit management departments for corporate and private customers.

The Bank’s risk situation and the Capital Adequacy Process are addressed by the Asset & Liability Management Committee (ALM). In this committee, the Managing Board decides on market risk measurement procedures, defines interfaces between Sales and Treasury with regard to the market interest rate method, and the level of market risk and liquidity limits. group risk controlling, controlling, and treasury departments are also present at committee meetings.

The strategies, procedures, and approaches adopted for the management of risks are documented in writing. The Bank maintains a risk management manual and a credit manual, which are available to all employees. These manuals are updated on a regular basis. Additionally, the Bank has outlined all relevant work processes in written procedures that are likewise available to all employees.

The definition of non-performing loans was changed at the beginning of the year as part of the introduction of Basel III. Non-performing loans correspond to the regulatory asset class of loans in arrears (up until the end of 2013, non-interest-bearing receivables in default were also included). This asset class previously comprised individual accounts that were 90 days in arrears. By contrast, Basel III focuses on the customer as a whole (including in the credit risk standardised approach). Non-performing loans according to the old definition decreased from EUR 291,141,000 to EUR 268,965,000. According to the new definition, they decreased from EUR 463,980,000 to EUR 449,740,000.

The maturity transformation was reduced slightly by means of hedging measures. The Bank’s risk-bearing capacity was guaranteed at all times within the limits set by the Managing Board. There are no significant volumes of the Bank’s own issues scheduled for repayment this year.

The value at risk (VaR) for individual risk types compared to the previous year is shown below:

VaR (99% / 10 days) Interest rate risk (Mean value)

| in '000 EUR | 2014 | 2013 |
|-------------|-------|-------|
| January | 4,297 | 3,414 |
| February | 4,883 | 3,128 |
| March | 5,489 | 2,687 |
| April | 6,888 | 4,476 |
| May | 8,027 | 3,767 |
| June | 8,443 | 2,359 |
| July | 8,773 | 2,267 |
| August | 9,288 | 2,853 |
| September | 9,010 | 3,394 |

VaR (99% / 10 days) Foreign currency risk (Mean value)

| in '000 EUR | 2014 | 2013 |
|-------------|------|-------|
| January | 688 | 940 |
| February | 692 | 1,058 |
| March | 602 | 1,190 |
| April | 434 | 1,291 |
| May | 386 | 1,156 |
| June | 405 | 1,636 |
| July | 536 | 978 |
| August | 520 | 1,058 |
| September | 559 | 968 |

VaR (99% / 10 days) Equity risk (Mean value)

| in '000 EUR | 2014 | 2013 |
|-------------|------|------|
| January | 239 | 214 |
| February | 228 | 216 |
| March | 192 | 222 |
| April | 200 | 202 |
| May | 188 | 227 |
| June | 186 | 265 |
| July | 213 | 208 |
| August | 215 | 223 |
| September | 230 | 218 |

VaR (99% / 10 days) Creditspread risk (Mean value)

| in '000 EUR | 2014 | 2013 |
|-------------|-------|-------|
| January | 1,239 | 3,788 |
| February | 1,368 | 3,587 |
| March | 1,295 | 3,162 |
| April | 1,244 | 3,014 |
| May | 1,247 | 2,669 |
| June | 1,228 | 2,534 |
| July | 1,244 | 2,227 |
| August | 1,147 | 1,879 |
| September | 1,035 | 1,699 |

VaR (99% / 10 days) Marketrisk (Mean value)

| in '000 EUR | 2014 | 2013 |
|-------------|-------|-------|
| January | 4,664 | 5,072 |
| February | 5,157 | 5,263 |
| March | 5,649 | 4,389 |
| April | 7,021 | 4,999 |
| May | 8,143 | 4,181 |
| June | 8,712 | 3,992 |
| July | 9,052 | 3,527 |
| August | 9,620 | 3,670 |
| September | 9,355 | 3,971 |

(20) CONSOLIDATED CAPITAL AND REGULATORY CAPITAL REQUIREMENTS

As of 1 January 2014 the requirements of CRR (EU Regulation No. 575/2013) came into effect. Previously the regulatory capital requirements were calculated according to legal provisions of the Austrian Banking Act. Based on legal changes, the information as of the reporting date as well as comparative figures are shown in separate tables, relating to the regulations valid at the respective time.

Capital requirements per Section 22 Austrian Banking Act as at 31 Dezember 2013

| in '000 EUR | 31.12.2013 |
|---|------------------|
| Assessment basis per Section 22 Austrian Banking Act | 7,363,339 |
| Capital resource requirement for solvency | 589,067 |
| Capital requirement for settlement risk | 0 |
| Capital requirement for position risks | 0 |
| Capital resource requirement for operational risk | 33,256 |
| Total capital resource requirements | 622,323 |

Capital requirements in accordance with CRR as at 30 September 2014

| in '000 EUR | 30.09.2014 |
|--|------------------|
| Risk-weighted receivables | 7,828,742 |
| Risk exposure amount for settlement and delivery risks | 0 |
| Total receivables amount for position, foreign currency and goods position risks | 581 |
| Total amount of risk positions for operational risks | 423,834 |
| Total amount of risk positions for adjustment of credit valuation | 78,754 |
| Total risk exposure | 8,331,911 |

**Consolidated capital per Section 23 in conjunction with
Section 24 Austrian Banking Act as at 31 December 2013**

| in '000 EUR | 31.12.2013 |
|---|------------------|
| Core capital (Tier 1) | 804,590 |
| Paid-in capital | 165,453 |
| Capital reserves | 48,874 |
| Retained earnings | 441,796 |
| Liable capital | 126,005 |
| Minority interests per Section 24 (2) no. 1 Austrian Banking Act | 63 |
| Consolidation per Section 24 (2) no. 2 Austrian Banking Act | 23,835 |
| Intangible assets | -1,436 |
| Supplementary capital resources (Tier 2) | 398,160 |
| Supplementary capital | 90,586 |
| Remeasurement reserve | 79,574 |
| Subordinated capital | 228,000 |
| Deductions | -3,448 |
| Attributable capital resources (Tier 1 plus Tier 2 minus deductions) | 1,199,302 |
| Assessment basis (banking book) | 7,363,339 |
| Core capital ratio (banking book) | 10.93% |
| Solvency ratio (banking book) | 16.29% |
| Assessment basis (modified) | 7,779,039 |
| Core capital ratio | 10.34% |
| Solvency ratio | 15.42% |

**Consolidated capital resources in accordance with CRR
as at 30 September 2014**

Common equity tier 1 capital (CET1)

| in '000 EUR | 30.09.2014 |
|---|----------------|
| Capital instruments eligible as common equity tier 1 capital | 184,327 |
| Retained profits | 472,003 |
| Accumulated other income | 10,668 |
| Other reserves | 126,602 |
| Transitional adjustment due to grandfathered ca- pital instruments of common equity tier 1 capital | 24,000 |
| Minority interests | 16 |
| Transitional adjustment due to additional minority interests | 38 |
| Adjustments to common equity tier 1 capital due to deduction and correction items | -4,490 |
| Intangible assets | -1,269 |
| Items to be deducted from the items of additional tier 1 capital and that exceed additional tier 1 capital | -5,104 |
| Instruments of common equity tier 1 capital from companies in the financial sector in which the Bank does not hold a significant interest | -2,284 |
| Other transitional adjustments to common equity tier 1 capital | -27,469 |
| Common equity tier 1 capital (CET1) | 777,038 |

Additional tier 1 capital (AT1)

| in '000 EUR | 30.09.2014 |
|---|------------|
| Capital instruments eligible as additional tier 1 capital | 0 |
| Instruments issued by subsidiaries that are included under additional tier 1 capital | 6 |
| Transitional adjustment due to additionally recognised instruments issued by subsidiaries that are included under additional tier 1 capital | -5 |
| Instruments of additional tier 1 capital from companies in the financial sector in which the Bank does not hold a significant interest | -344 |
| Other transitional adjustments to additional tier 1 capital | -4,761 |
| Items to be deducted from the items of additional tier 1 capital and that exceed additional tier 1 capital | 5,104 |
| Additional tier 1 capital (AT1) | 0 |

Tier 2 capital (T2)

| in '000 EUR | 30.09.2014 |
|---|----------------|
| Capital instruments and subordinated loans eligible as tier 2 capital | 295,340 |
| Instruments issued by subsidiaries that are included under tier 2 capital | 10 |
| Transitional adjustments due to additionally recognised instruments issued by subsidiaries that are included under tier 2 capital | -8 |
| Instruments of tier 2 capital from companies in the financial sector in which the Bank does not hold a significant interest | -8,300 |
| Other transitional adjustments to tier 2 capital | 2,619 |
| Tier 2 capital (T2) | 289,661 |

Capital resources and capital ratios

| in '000 EUR | 30.09.2014 |
|---|------------------|
| Common equity tier 1 capital (CET1) | 777,038 |
| Additional tier 1 capital (AT1) | 0 |
| Tier 1 capital | 777,038 |
| Tier 2 capital (T2) | 289,661 |
| Capital resources | 1,066,699 |
| Common Equity Tier 1 Capital ratio (CET1) | 9.33 % |
| Surplus of common equity tier 1 capital | 443,762 |
| Tier 1 Capital Ratio (T1) | 9.33 % |
| Surplus of tier 1 capital | 318,783 |
| Total Capital Ratio | 12.80 % |
| Surplus of total capital resources | 400,146 |

G. DISCLOSURES PERTAINING TO AUSTRIAN LAW**(21) AUSTRIAN LAW**

In line with Section 59a Austrian Banking Act in conjunction with Section 245a (1) Austrian Corporate Code (UGB), the consolidated financial statements were prepared in accordance with International Financial Reporting Standards applicable in the EU. In line with Section 59a Austrian Banking Act, the disclosures per Section 64 (1) no. 1 – 15 and (2) Austrian Banking Act and Section 245a (1) and (3) UGB are to be incorporated in the Notes to the consolidated financial statements.

**DECLARATION OF THE STATUTORY REPRESENTATIVES WITH RESPECT TO THE INTERIM REPORT
PER SECTION 87 (1) NO. 3 AUSTRIAN STOCK EXCHANGE ACT (BÖRSEG)**

We confirm that to the best of our knowledge the condensed consolidated interim financial statements prepared in accordance with applicable accounting standards (IAS 34) provide a true and fair view of the Group's assets and liabilities, financial condition, and results of operation, and that the Group quarterly management report provides a true and fair view of the Group's assets and liabilities, financial condition, and results of operation in relation to key events in the first nine months of the fiscal year and the significance thereof with respect to both the condensed consolidated interim financial statements and to material risks and contingencies accruing in the remaining three months of the fiscal year.

This interim report was not subjected to an audit or reviewed by an auditor.

Bregenz, 1 November 2014

**Vorarlberger Landes- und Hypothekenbank
Aktiengesellschaft**

The members of the Managing Board



Michael Grahammer
CEO, Chairman of the Managing Board

Sales Corporate Customers,
Accounting



Johannes Hefel
Managing Board member

Sales Private Customers



Michel Haller
Managing Board member

Risk Management

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft

Hypo-Passage 1, 6900 Bregenz, Austria

T +43 (0)50 414-0, F +43 (0)50 414-1050

info@hypovbg.at, www.hypovbg.at

BLZ 58000, BIC/SWIFT HYPVAT2B, DVR 0018775, UID ATU 36738508, FN 145586y





BRANCH OFFICES | SUBSIDIARIES

Vorarlberg: Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft, www.hypovbg.at

| | | International dialing code for Austria: +43* | |
|-----------------------|----------------------------------|--|---------|
| Headquarters: | 6900 Bregenz, Hypo-Passage 1 | T (0) 50 414-1000 | F -1050 |
| 6900 Bregenz | Vorkloster, Heldendankstraße 33 | T (0) 50 414-1800 | F -1850 |
| 6700 Bludenz | Am Postplatz 2 | T (0) 50 414-3000 | F -3050 |
| 6850 Dornbirn | Rathausplatz 6 | T (0) 50 414-4000 | F -4050 |
| 6850 Dornbirn | Messepark, Messestraße 2 | T (0) 50 414-4200 | F -4250 |
| 6863 Egg | Wälderpark, HNr. 940 | T (0) 50 414-4600 | F -4650 |
| 6800 Feldkirch | Neustadt 23 | T (0) 50 414-2000 | F -2050 |
| 6800 Feldkirch | LKH Feldkirch, Carinagasse 47-49 | T (0) 50 414-2400 | F -2450 |
| 6793 Gaschurn | Schulstraße 6b | T (0) 50 414-3400 | F -3450 |
| 6840 Götzis | Hauptstraße 4 | T (0) 50 414-6000 | F -6050 |
| 6971 Hard | Landstraße 9 | T (0) 50 414-1600 | F -1650 |
| 6973 Höchst | Hauptstraße 25 | T (0) 50 414-5200 | F -5250 |
| 6845 Hohenems | Bahnhofstraße 19 | T (0) 50 414-6200 | F -6250 |
| 6923 Lauterach | Hofsteigstraße 2a | T (0) 50 414-6400 | F -6450 |
| 6764 Lech | HNr. 138 | T (0) 50 414-3800 | F -3850 |
| 6890 Lustenau | Kaiser-Franz-Josef-Straße 4a | T (0) 50 414-5000 | F -5050 |
| 6830 Rankweil | Ringstraße 11 | T (0) 50 414-2200 | F -2250 |
| 6780 Schruns | Jakob-Stemer-Weg 2 | T (0) 50 414-3200 | F -3250 |

Kleinwalsertal: Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft, www.hypo-kleinwalsertal.de
6991 Riezern, Walsersstraße 31 T (0) 50 414-8000 F -8050**Vienna:** Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft
1010 Vienna, Singerstraße 12 T (0) 50 414-7400 F -7450
Mobile Sales Unit T (0) 50 414-7700 F -7750**Styria:** Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft
8010 Graz, Joanneumring 7 T (0) 50 414-6800 F -6850**Upper Austria:** Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft
4600 Wels, Kaiser-Josef-Platz 49 T (0) 50 414-7000 F -7050**Switzerland:** Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft, www.hypobank.ch
CH-9004 St. Gallen, Bankgasse 1 T +41 (0) 71 228 85-00 F -19**Subsidiaries:****Vorarlberg:** Hypo Immobilien & Leasing GmbH, www.hypo-il.at
6850 Dornbirn, Poststraße 11 T (0) 50 414-4400 F -4450 office@hypo-il.at

Hypo Versicherungsmakler, www.hypomakler.at
6850 Dornbirn, Poststraße 11 T (0) 50 414-4100 F -4150 info@hypomakler.at

Italy: Hypo Vorarlberg Leasing AG, www.hypoleasing.it
I-39100 Bolzano, Galileo-Galilei-Straße 10 H T +39 0471 060-500 F -550 info@hypovbg.it

*050-number for local rate

VORARLBERGER LANDES- UND HYPOTHEKENBANK AKTIENGESELLSCHAFT

Hypo-Passage 1, 6900 Bregenz, Austria
T +43 (0)50 414-1000, F +43 (0)50 414-1050



www.hypovbg.at

