

Quarterly Report as at 30 September 2011

**HYPO LANDESBANK VORARLBERG**

**Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft**

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## Key figures of Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft (Hypo Landesbank Vorarlberg) – Group reporting per IFRS:

in '000 EUR	30.09.2011	31.12.2010	Change	
			in '000 EUR	in %
Total assets	14,134,707	13,561,150	573,557	4.2
Loans and advances to customers	8,445,447	8,065,327	380,120	4.7
Amounts owed to customers	4,017,520	3,806,918	210,602	5.5
Liabilities evidenced by certificates (LAC)	1,556,698	1,506,172	50,526	3.4
Financial liabilities - at fair value (LAV)	6,479,540	6,223,255	256,285	4.1
Capital resources pursuant to the Austrian Banking Act	999,484	997,100	2,384	0.2
thereof Tier 1	665,712	662,556	3,156	0.5

in '000 EUR	01.01.-	01.01.-	Change	
	30.09.2011	30.09.2010	in '000 EUR	in %
Net interest income after loan loss provisions	105,023	80,463	24,560	30.5
Net fee and commission income	30,210	28,491	1,719	6.0
Net trading result	-10,330	9,265	-19,595	> -100.0
Administrative expenses	-63,927	-60,927	-3,000	4.9
Earnings before taxes	52,357	52,951	-594	-1.1

Key figures	30.09.2011	30.09.2010	Change	
			absolut	in %
Cost/income ratio (CIR)	41.22%	41.52%	-0.30%	-0.7
Solvency ratio (banking book)	12.90%	13.38%	-0.48%	-3.6
Return on equity (ROE)	12.17%	13.49%	-1.32%	-9.8

Personal	30.09.2011	31.12.2010	Change	
			absolut	in %
Employees	691	705	-14	-2.0

## The shareholders of Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft (Hypo Landesbank Vorarlberg) as at 30 September 2011 are:

Shareholders	Total shareholding	Voting rights
Vorarlberger Landesbank-Holding	74.9997 %	74.9997 %
Austria Beteiligungsgesellschaft mbH	25.0003 %	25.0003 %
Landesbank Baden-Württemberg	16.6669 %	
Landeskreditbank Baden-Württemberg Förderbank	8.3334 %	
<b>Share capital</b>	<b>100.0000 %</b>	<b>100.0000 %</b>

Rating/Moody's	
Long-term for liabilities with state deficiency guarantee	Aaa
for liabilities without state deficiency guarantee (as of 2 April 2007)	A1
Short-term	P-1

## **Consolidated Interim Report in accordance with International Financial Reporting Standards (IFRS) as at 30 September 2011**

### **Banking business environment in the third quarter of 2011**

#### **Global economy and euro zone**

Despite negotiations concerning the next tranche of the Greek rescue package and the expansion of the ESFS bailout fund, the debt crisis in the euro zone remained the dominant issue in the third quarter 2011. The tense situation in the European interbank market made further intervention by the central banks necessary. Fear of a recession and the increased probability of its occurrence grew in the third quarter. The escalation of the debt crisis in Italy (the world's third largest debtor) and Spain underscored the extent and scale of the crisis.

In the US, economic indicators also showed a marked slowdown in economic growth. The US Federal Reserve and the International Monetary Fund (IMF) noted significant downside risks to the US economy and global growth. The downgrade of the US credit rating by Standard & Poor's in response to no comprehensive solution to the enormous US government debt burden also depressed the stock markets. While the Japanese economy was rebuilding after the natural and nuclear disasters, the European debt crisis sent the stock markets on a volatile downward spiral. Another important factor was the loss of business and consumer confidence. This led to massive doubt in the self-healing power of the financial system, and the stock markets in the industrial and emerging economies suffered dramatic losses. The pressure on the markets and the rating agencies also had a positive side, however, because it forced needed policy decisions and long overdue reforms.

#### **Interest rates**

The emerging markets have been struggling for some time with overheating and rising inflation, which the central banks attempted to counter with higher interest rates. That was not even considered by the European Central Bank or the US Federal Reserve, which prepared for a third round of quantitative easing. The ECB, which raised interest rates in the second quarter for the first time in three years, indicated that, due to higher than targeted inflation, no spontaneous interest rate cuts were pending. Economists were then surprised when the ECB cut rates by 25 basis points to 1.25% on 3 November.

#### **Stock markets**

Deteriorating global growth prospects and the financial crisis in Europe dominated the markets in the third quarter of 2011. The Frankfurt DAX, for example, lost over 25% between 26

July and 22 August 2011. The tense situation in Greece, the increasing pressure on Italy and Spain as well as concerns about the impact of the European debt crisis on a great number of banks, led to sharp declines in share prices, especially in bank shares. In comparison, the US Dow Jones Industrial Index lost nearly 15% (euro basis). While the stock indices around the world fell, both German and US bonds were considered safe and bond prices continued to rise.

#### **Currencies**

The euro strengthened against the dollar in the first half of the year before entering a volatile range in the third quarter and losing to the dollar in September. Most striking, however, was the euro course against the Swiss franc, a safe-haven currency. After it was clear that the Swiss franc was heading toward parity, the Swiss National Bank intervened rather than stand idly by as the currency crisis negatively affected the Swiss export-oriented economy. The EUR/JPY course was marked by a downward trend in the third quarter and, as in Switzerland, Japanese exports suffered under the strong currency.

#### **Commodities**

Although raw materials showed no negative effects in the first quarter, by the end of the third quarter the situation was completely different. Economic and political factors were influential as always, however changes in expectations and fears of recession also left their mark. When measured by total market indices, the commodities market recorded the highest quarterly losses since the financial crisis in 2008. There were remarkable developments in gold prices, which reached record levels due to uncertainty and fear. This development was used by many for profit taking and with a renewed confidence in a sustainable debt solution, the price of gold settled between 1,600 and 1,700 US dollars.

### **Consolidated management report as at 30 September 2011**

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft (Hypo Landesbank Vorarlberg) earned income before taxes of EUR 52.4 million as at 30 September 2011 and is, despite difficult political and economic conditions, on track for the excellent results of last year (30 September 2010: EUR 53.0 million). Stable earnings for many years underscore the sustainable business model of Hypo Landesbank Vorarlberg. The Bank has always followed a conservative financial policy and did not need to alter its valuation principles in the third quarter.

## Income statement

Net interest income after loan loss provisions as at 30 September 2011 was EUR 105.0 million, up by 30.5% year-on-year. The course of business for the majority of our customers continues to be extremely stable. Although sufficient provisions were made for all recognisable risks, credit risk provisions are considerably lower than last year.

Net fee and commission income rose by 6.0% to EUR 30.2 million, despite the high volatility of markets. In contrast the “net trading result” (Hypo Landesbank Vorarlberg does not engage in proprietary trading) was EUR -10.3 million, reflecting the turbulence and widening spreads in the markets. The negative results from financial assets, EUR -10.9 million is due to market-related securities write-downs. The Bank holds Greek government securities amounting to EUR 7 million, which were adjusted by 50% in the previous year’s income statement.

Administrative expenses were EUR 63.9 million, 4.9% higher year-on-year. This includes a staff cost increase of 2.8% to EUR 38.0 million. The average number of employees has fallen to 691 (weighted by % of full-time equivalent) since the beginning of the year due to natural attrition and is expected to be balanced again by year end. Materials expenses rose year-on-year by 10.4% mainly due to the new bank excise tax (EUR 4.5 million as at 30 September 2011).

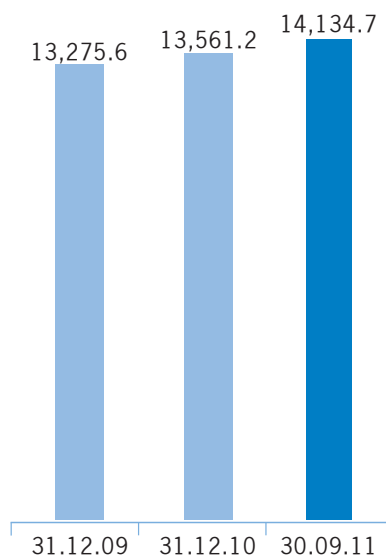
Overall, earnings before taxes as at 30 September 2011 is EUR 52.4 million and is very close to the previous year’s level (EUR 53.0 million). After taxes, Hypo Landesbank Vorarlberg reported consolidated net income of EUR 41.3 million (previous year: EUR 41.7 million).

The fact that Hypo Landesbank Vorarlberg is a healthy, successful and extremely efficient bank is underscored by its cost income ratio of 41.22 %, a 12.17% ROE and a debt/equity ratio of 12.90% (banking book).

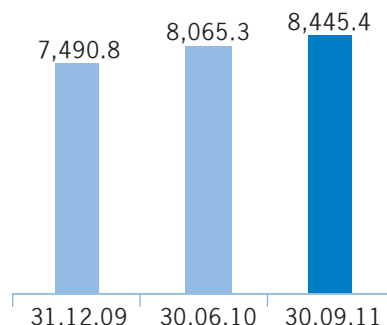
## Balance sheet development

Total assets of the Group as at 30 September 2011 amounted to EUR 14,134.7 million as planned, up by 4.2 % year-on-year. Of this, EUR 8,445.4 million is loans and advances to customers. This is an increase of 4.7%, partly due to currency factors.

On the liabilities side, liabilities to customers in the first nine months of 2011 increased by EUR 210.6 million or 5.5% year-on-year to reach EUR 4,017.5 million. Financial liabilities at fair value rose to EUR 6,479.5 million as at 30 September 2011.



Development of total assets (in EUR million)



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

## Capital resources

Paid-in capital of Hypo Landesbank Vorarlberg amounted to EUR 159 million. Capital resources under Sections 23 and 24 of the Bankwesengesetz (Austrian Banking Act or BWG) as at 30 September 2011 were EUR 999.5 million. The total capital ratio (banking book) is lower at 12.90% (31 December 2010: 13.61%), but remains at a comfortable level when taking into account its risk profile.

The Tier 1-Ratio (banking book) is 8.59% (31 December 2010: 9.04%). Hypo Landesbank Vorarlberg, although not one of the systemically important large European banks, nevertheless plans in 2012 to convert the participation capital currently owned by shareholders to share capital and at the same time increase bank capital by EUR 50 million.

## Business segments third quarter 2011

### Corporate Customers/Public Sector

Hypo Landesbank Vorarlberg is the leading corporate bank in Vorarlberg. In addition to traditional banking products, it offers bank-related services such as leasing, real estate service and insurance via its subsidiaries. International services and expert advising and consulting services on support programmes and funding institutions round off its financing portfolio.

The Bank increased its credit services and obtained new customers primarily in the markets of Vienna, Styria, Upper Austria and Southern Germany. Despite a subdued willingness to invest, we were also able to increase credit services in Vorarlberg. Demand deposits and term deposits have significantly increased this year. In addition to offering favourable conditions, we particularly benefit from the Bank's excellent creditworthiness.

In the Corporate Customers sector, net interest income was EUR 51.5 million as at 30 September 2011. Loan loss provisions have been increased in response to the slowing economy. Earnings before taxes in the Corporate Customers sector was EUR 37.4 million (plus 11.1%) in the first nine months of 2011.

### Private Customers

In its private customer business, Hypo Landesbank Vorarlberg distinguishes itself with quality and expertise in consultation-intensive services. The Bank's special expertise and flexibility in meeting customer needs are compelling in the areas of residential construction financing, securities and sophisticated investments.

Many customers are currently taking advantage of the low interest level to build, buy or renovate real estate; the demand for loans in the Private Customers segment was accordingly high in recent months. Customers were also observed paying off more of their debts. Hypo Landesbank Vorarlberg continues to support energy saving investments with very attractive conditions. Hypo Landesbank Vorarlberg's Hypo-Klimakredit, Hypo-Lebenswert-Kredit, Hypo-Lebenszeit-Kredit and recent Hypo-Kredit Zinslimit are loan types that meet individual financing requirements in the best way possible.

Security counts when making investments and a trend toward simpler products is also apparent. In addition to savings accounts, bonds with a maturity of up to 7 years are in demand, however, the majority of savings are currently concentrated in shorter-term savings vehicles of about two years. An interesting alternative is the new Hypo-Umwelt-Sparbuch, presented in September at the exhibition in Dornbirn (Austria), which supports regional environmental projects selected by a jury. Special here is, that the more customers that save with a Hypo-Umwelt-Sparbuch, the higher the contribution to the environmental project by Hypo Landesbank Vorarlberg.

Earnings before taxes in the Private Customers sector was EUR 6.1 million as at 30 September 2011 (30 September 2010: EUR 2.7 million).

### Private Banking and Asset Management

Asset management at Hypo Landesbank Vorarlberg recognised investors' elevated security needs at an early stage and offers suitable alternative products in the form of value protection concepts and international investment standards. As at 30 September 2011, assets of EUR 810.1 million were managed for 3,092 clients.

**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)<sup>®</sup> on an annual basis and accredited us most recently in July 2011. Since 2005, Hypo Landesbank Vorarlberg is the first and remains the only Austrian bank whose asset management is certified according to these internationally recognized standards.

**Hypo Landesbank Vorarlberg is Austrian winner at the 2011 World Finance Investment Management Award.** Hypo Landesbank Vorarlberg was selected the Austrian winner of the 2011 World Finance Investment Management Award given by World Finance – a well-known international financial magazine based in London. The award recognises banks with an outstanding investment approach and long-term performance.

Winners are chosen in two steps. First, Hypo Landesbank Vorarlberg, Raiffeisen Capital Management and Erste Sparinvest were selected as finalists in a reader vote and thus became candidates for the award. An expert jury then evaluated their investment strategy, performance standards (especially transparency, risk policy and reporting standards), benchmarking and yields achieved by the investment strategies offered. Hypo Landesbank Vorarlberg emerged from this analysis as #1 in Austria. Banks from 34 countries were reviewed.

In the sectors Private Banking and Asset Management, Hypo Landesbank Vorarlberg has earned an excellent reputation in recent years. This is underpinned by the Bank's award from World Finance. Based on this foundation, the Bank expects to serve more institutional customers such as pension funds, insurance companies and other banks in future. The already diverse product range is being expanded with new asset management strategies (Hypo IQ and Hypo Realwertestrategie) that are tailored to the current challenging market situation and the securities capital gains tax.

### **Financial Markets/Treasury**

Hypo Landesbank Vorarlberg continues to enjoy an excellent liquidity position. In the third quarter of 2011, there were six new issues with a total of EUR 125 million and the second public-sector CHF Pfandbrief (mortgage bond) this year was issued on the Swiss market. The planned issue volume for 2011 was reached by the end of the third quarter.

On 28 March 2011, the general prospectus for Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft's range of offers in structured bonds was approved by the Austrian Financial Market Authority. In this programme, the Bank is permitted to issue non-subordinated bonds of all types. In December 2011, the Bank will commission the ratings agency Moody's to rate the mortgage-backed cover pool.

Market players remain extremely unsure of the further developments of the European Monetary Union. This uncertainty is also reflected in the massive jump in risk premiums for the PIIGS countries in cash as well as derivatives. From the current point of view, the high level of volatility of sovereign and bank credit spreads is expected to continue in the medium term. It is clear that contagion has spread already, although there are no fundamental reasons for this in some instances.

As at 30 September 2011 a managed fund volume of EUR 8,238 million was recorded as part of our custodial activities.

Income contributions from the Financial Markets/Treasury business area amounted to EUR -2.9 million as at 30 September 2011 (previous year: EUR 1.3 million). The negative development in the third quarter of 2011 is primarily due to market volatility and valuation losses on nostro securities (valuation at fair value) and financial instruments, voluntarily measured at fair value (AFV).

### **Leasing and Real Estate**

The Corporate Centre contributed EUR 15.4 million to earnings as at 30 September 2011 (previous year: EUR 11.5 million), which includes the Leasing and Real Estate business areas.

We have conducted our Austrian leasing business over Hypo SüdLeasing GmbH since 2004. Our joint venture partner, SüdLeasing GmbH (a subsidiary of LBBW) offered to sell us their 74% stake in Hypo SüdLeasing GmbH. Although the leasing industry is currently facing difficult conditions (low margins, higher funding costs etc.) the Managing Board and the Supervisory Board agreed to the acquisition of the entire Hypo SüdLeasing GmbH and to restructure the Austrian leasing business. The purchase has been completed. Effective January 2012, Hypo Landesbank Vorarlberg will offer its complete Austrian leasing and real estate business through Hypo Immobilien & Leasing GmbH, with headquarters in Dornbirn and branch in Vienna, Austria.

The real estate sector of the Hypo Vorarlberg Group, which will in the future operate under Hypo Immobilien & Leasing GmbH, will provide the same orientation and services as before which include managing Hypo Landesbank Vorarlberg's entire real estate portfolio of buildings it occupies itself as well as properties held for sale. The company is organised into the business areas of real estate brokerage, facility management, portfolio management, construction management and real estate appraisal.

Hypo Vorarlberg Leasing AG, based in Bolzano, Italy, is focussed on alternative energies (especially photovoltaics) and municipal leasing in particular, as well as its long-standing concentration on real estate leasing.

### **Outlook**

The international economic environment has deteriorated significantly since mid-2011. Given the continued uncertainty concerning a solution to the debt crisis, investment decisions are being deferred. After the strong growth in 2011 (+2.9%), domestic economic growth will only be 0.8% in 2012.

Hypo Landesbank Vorarlberg will continue to adhere to its proven business model and concentrate on our customer business. The first three quarters were, despite numerous political and economic uncertainties, satisfactory and even slightly above plan. The Managing Board therefore remains confident that 2011 results will be equal to the results of the previous year.

The strategic focus is deepening existing customer relationships and expanding the Bank's presence on the growth markets outside the home market of Vorarlberg to secure Hypo Landesbank Vorarlberg's earnings power in the long term. We remain dedicated to optimal customer service of existing customers and to obtaining new customers.

In its corporate customer business, Hypo Landesbank Vorarlberg will continue to take a responsible approach in fulfilling its role as the leading corporate bank in Vorarlberg and supply companies in existing markets with financing.

In the Private Customer segment, liquidity and refinancing policies will focus more on obtaining savings deposits. Due to its good creditworthiness and high reliability, Hypo Landesbank Vorarlberg is well-received by investment clients. The need for reliability and flexibility will be met with attractive offers in the savings deposits area. Increased willingness to invest continues to be expected in the area of private financing, as creating living space and renovations continue to be extremely important.

In the investment area we will continue to focus on wealth preservation and minimising risks and will bring two new strategies to the market (Hypo IQ and Hypo Realwertestrategie).

### **Expected earnings development in 2011**

Interest business will continue to be a stable pillar of earnings development. The Managing Board anticipates that 2011 earnings will approximate the extremely good level seen in 2010. Hypo Landesbank Vorarlberg will continue to follow a careful risk and financial reporting policy and keep sufficient funds for loan loss provisions.

Hypo Landesbank Vorarlberg has always paid special attention to a sustainable liquidity policy and has sufficient liquidity reserves to allow a further expansion of its lending and to assume a further increase in net interest income.

The Managing Board expects a stabilization of net fee and commission income at the current high level. Overall operating expenses will remain at about the same level as the prior year. The Managing Board expects a slight increase in staff cost, and higher IT costs in particular are expected under administrative expenses.

In general, the Managing Board must assume a sharp increase in additional cost for the Bank due to the implementation of Basel III, the new securities capital gains tax and bank excise, which will lead to necessary price increases in banking services.

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](mailto:gips@hypovbg.at).



## I. Statement of comprehensive income for the period 1 January to 30 September 2011

### Income statement

in '000 EUR	(Notes)	01.01.-		Change	
		30.09.2011	30.09.2010	in '000 EUR	in %
Interest and similar income		237,180	204,570	32,610	15.9
Interest and similar expenses		-114,313	-94,821	-19,492	20.6
<b>Net interest income</b>	(2)	<b>122,867</b>	<b>109,749</b>	<b>13,118</b>	<b>12.0</b>
Loan loss provisions		-17,844	-29,286	11,442	-39.1
<b>Net interest income after loan loss provisions</b>		<b>105,023</b>	<b>80,463</b>	<b>24,560</b>	<b>30.5</b>
Fee and commission income		33,997	33,515	482	1.4
Fee and commission expenses		-3,787	-5,024	1,237	-24.6
<b>Net fee and commission income</b>	(3)	<b>30,210</b>	<b>28,491</b>	<b>1,719</b>	<b>6.0</b>
Net result on hedge accounting	(4)	-465	-493	28	-5.7
Net trading result	(5)	-10,330	9,265	-19,595	> -100.0
Net result from other financial instruments		-10,942	-7,778	-3,164	40.7
Administrative expenses	(6)	-63,927	-60,927	-3,000	4.9
Other income		-3,034	2,689	-5,723	> -100.0
Result from equity consolidation		5,822	1,241	4,581	> 100.0
<b>Earnings before taxes</b>		<b>52,357</b>	<b>52,951</b>	<b>-594</b>	<b>-1.1</b>
Taxes on income		-11,099	-11,260	161	-1.4
<b>Consolidated net income</b>		<b>41,258</b>	<b>41,691</b>	<b>-433</b>	<b>-1.0</b>
Of which attributable to:					
Shareholders of the parent company		41,258	41,691	-433	-1.0
Non-controlling interests		0	0	0	0.0

In the „Other result“ item, the stability tax is reported for the first time in 2011 (at 30 September 2011 with EUR 4,500,000).

### Statement of comprehensive Income

in '000 EUR	01.01.-		Change	
	30.09.2011	30.09.2010	in '000 EUR	in %
Consolidated net income	41,258	41,691	-433	-1.0
Other income after taxes	-3,769	5,780	-9,549	> -100.0
Changes to foreign currency translation reserve	74	300	-226	-75.3
Changes to revaluation reserve	-3,786	5,227	-9,013	> -100.0
of which changes in measurement	-5,878	6,939	-12,817	> -100.0
of which changes in holdings	830	30	800	> 100.0
of which income tax effects	1,262	-1,742	3,004	> -100.0
Change from equity consolidation	-57	253	-310	> -100.0
<b>Total comprehensive income</b>	<b>37,489</b>	<b>47,471</b>	<b>-9,982</b>	<b>-21.0</b>
Of which attributable to:				
Shareholders of the parent company	37,489	47,471	-9,982	-21.0
Non-controlling interests	0	0	0	0.0

## II. Balance sheet dated 30 September 2011

### Assets

in '000 EUR	(Notes)	30.09.2011	31.12.2010	Change	
				in '000 EUR	in %
Cash and balances with central banks		102,200	138,452	-36,252	-26.2
Loans and advances to banks		1,500,891	1,420,249	80,642	5.7
Loans and advances to customers		8,445,447	8,065,327	380,120	4.7
Loan loss provisions for loans and advances to customers		-119,977	-109,934	-10,043	9.1
Positive market values of hedges	(7, 18)	5,019	4,531	488	10.8
Trading assets and derivatives	(8, 18)	774,583	631,875	142,708	22.6
Financial assets - at fair value	(9)	1,506,353	1,508,652	-2,299	-0.2
Financial assets - available for sale	(10)	706,093	556,481	149,612	26.9
Financial assets - held to maturity	(11)	1,002,227	1,149,151	-146,924	-12.8
Shares in companies valued at equity		34,093	21,947	12,146	55.3
Investment property		32,068	32,563	-495	-1.5
Intangible assets		1,669	1,560	109	7.0
Property, plant and equipment		71,631	66,830	4,801	7.2
Tax assets		776	800	-24	-3.0
Deferred tax assets		8,218	5,174	3,044	58.8
Non-current assets available for sale		15,384	8,903	6,481	72.8
Other assets		48,032	58,589	-10,557	-18.0
<b>Total Assets</b>		<b>14,134,707</b>	<b>13,561,150</b>	<b>573,557</b>	<b>4.2</b>

### Liabilities and shareholders' equity

in '000 EUR	(Notes)	30.09.2011	31.12.2010	Change	
				in '000 EUR	in %
Amounts owed to banks		720,614	793,369	-72,755	-9.2
Amounts owed to customers		4,017,520	3,806,918	210,602	5.5
Liabilities evidenced by certificates	(12)	1,556,698	1,506,172	50,526	3.4
Negative market values of hedges	(13, 18)	65,606	33,391	32,215	96.5
Trading liabilities and derivatives	(14, 18)	321,456	281,478	39,978	14.2
Financial liabilities - at fair value	(15)	6,479,540	6,223,255	256,285	4.1
Other provisions		11,493	10,976	517	4.7
Provisions for social capital		20,169	20,141	28	0.1
Current tax liabilities		157	9,418	-9,261	-98.3
Deferred tax liabilities		1,427	1,425	2	0.1
Other liabilities		88,390	47,829	40,561	84.8
Subordinated and supplementary capital		238,389	239,846	-1,457	-0.6
Shareholders' equity	(16)	613,248	586,932	26,316	4.5
Of which non-controlling interests		0	0	0	0.0
<b>Total Liabilities and shareholders' equity</b>		<b>14,134,707</b>	<b>13,561,150</b>	<b>573,557</b>	<b>4.2</b>

### 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	Non-controlling interests	Total Shareholders' equity
<b>Balance 01.01.2010</b>	<b>159,000</b>	<b>27,579</b>	<b>354,789</b>	<b>-6,165</b>	<b>24</b>	<b>165</b>	<b>535,392</b>
Consolidated net income	0	0	41,691	0	0	0	<b>41,691</b>
Other income	0	0	475	5,227	78	0	<b>5,780</b>
<b>Interim result 2010</b>	<b>0</b>	<b>0</b>	<b>42,166</b>	<b>5,227</b>	<b>78</b>	<b>0</b>	<b>47,471</b>
Change in scope of consolidation	0	0	-787	0	0	-165	<b>-952</b>
Dividends	0	0	-10,873	0	0	0	<b>-10,873</b>
<b>Balance 30.09.10</b>	<b>159,000</b>	<b>27,579</b>	<b>385,295</b>	<b>-938</b>	<b>102</b>	<b>0</b>	<b>571,038</b>
<b>Balance 01.01.11</b>	<b>159,000</b>	<b>27,579</b>	<b>403,110</b>	<b>-2,945</b>	<b>188</b>	<b>0</b>	<b>586,932</b>
Consolidated net income	0	0	41,258	0	0	0	<b>41,258</b>
Other income	0	0	188	-3,786	-171	0	<b>-3,769</b>
<b>Interim result 2011</b>	<b>0</b>	<b>0</b>	<b>41,446</b>	<b>-3,786</b>	<b>-171</b>	<b>0</b>	<b>37,489</b>
Change in scope of consolidation	0	0	34	0	0	0	34
Dividends	0	0	-11,207	0	0	0	-11,207
<b>Balance 30.09.2011</b>	<b>159,000</b>	<b>27,579</b>	<b>433,383</b>	<b>-6,731</b>	<b>17</b>	<b>0</b>	<b>613,248</b>

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 with cash and balances with central banks

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
<b>Cash and balances with central banks as at 1 January</b>	<b>138,452</b>	<b>83,316</b>
Cash flows from operating activities	-2,310	248,213
Cash flows from investing activities	-21,003	-174,272
Cash flows from financing activities	-12,939	-28,957
<b>Cash and balances with central banks as at 30 September</b>	<b>102,200</b>	<b>128,300</b>

### V. Notes

#### A. Accounting policies

##### (1) General information

The same accounting standards observed in preparing the consolidated annual financial statements dated 31 December 2010 were applied to the consolidated interim financial statements. There have been no changes in measurement principles applied with respect to the 31 December 2010 statements.

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

## B. Notes to the income statement of comprehensive income

### (2) Net interest income

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Income from cash and balances with central banks	69	294
Income from loans and advances to banks	11,818	8,453
Income from loans and advances to customers	145,363	120,802
Income from leasing business	20,494	16,217
Income from hedging instruments	272	192
Income from derivatives, other	6,036	4,951
Income from debt securities	50,530	50,413
Income from shares	1,731	1,644
Income from investments in affiliated companies	0	981
Income from investments in associated companies	0	211
Income from equity investments, other	867	412
<b>Interest and similar income</b>	<b>237,180</b>	<b>204,570</b>
Expenses from amounts owed to banks	-7,346	-6,198
Expenses from amounts owed to customers	-40,019	-34,112
Expenses from liabilities evidenced by certificates	-22,740	-16,836
Expenses from hedging instruments	-8,443	-5,743
Expenses from derivatives, other	-7,366	-3,741
Expenses from liabilities designated AFV	-24,368	-26,436
Expenses from subordinated and supplementary capital	-4,031	-1,755
<b>Interest and similar expenses</b>	<b>-114,313</b>	<b>-94,821</b>

### (3) Net fee and commission income

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Lending and leasing business	2,546	2,422
Securities business	16,898	14,561
Giro and payment transactions	11,281	13,403
Other service business	3,272	3,129
<b>Fee and commission income</b>	<b>33,997</b>	<b>33,515</b>

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Lending and leasing business	-478	-619
Securities business	-1,334	-1,283
Giro and payment transactions	-422	-388
Other service business	-1,553	-2,734
<b>Fee and commission expenses</b>	<b>-3,787</b>	<b>-5,024</b>

### (4) Net result on hedge accounting

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Fair value hedged items	30,002	16,325
Fair value hedging instruments	-30,467	-16,818
<b>Result from hedge relationships</b>	<b>-465</b>	<b>-493</b>

### (5) Net trading result

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Trading result	5,057	5,812
Result from the valuation of derivatives	162,326	156,370
Result from the valuation of financial instruments - AFV	-177,713	-152,917
<b>Net trading result</b>	<b>-10,330</b>	<b>9,265</b>

### (6) Administrative expenses

Group administrative expenses consist of staff costs, material expenses and impairments on property, plant and equipment and intangible assets.

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Staff costs	-38,034	-36,985
Materials expenses	-22,686	-20,552
Depreciation/amortisation of property, plant and equipment and intangible assets	-3,207	-3,390
<b>Administrative expenses</b>	<b>-63,927</b>	<b>-60,927</b>

Thereof staff costs

in '000 EUR	01.01.- 30.09.2011	01.01.- 30.09.2010
Wages and salaries	-28,612	-27,729
Statutory social security contributions	-7,358	-7,027
Voluntary social benefits	-562	-885
Expenses for retirement benefits	-1,632	-1,301
Social capital	130	-43
<b>Staff costs</b>	<b>-38,034</b>	<b>-36,985</b>

## C. Notes to the balance sheet

### (7) Positive market values of hedges

Breakdown by type of hedge

in '000 EUR	30.09.2011	31.12.2010
Positive market values of fair value hedges	1,333	1,728
Deferred interest on derivative hedges	3,686	2,803
<b>Positive market values of hedges</b>	<b>5,019</b>	<b>4,531</b>

The Group did not enter into any cash flow hedge positions in the reporting year or the previous year. A detailed list of the hedging instruments is shown in Note (18).

### (8) Trading assets and derivatives

Breakdown by type of business

in '000 EUR	30.09.2011	31.12.2010
Investment certificates	2,510	2,317
Positive market values of derivative financial instruments	692,228	536,162
Deferred interest	79,845	93,396
<b>Trading assets and derivatives</b>	<b>774,583</b>	<b>631,875</b>

A detailed list of the other derivatives is shown in Note (18).

### (9) Financial assets designated at fair value (AFV)

Breakdown by type of business

in '000 EUR	30.09.2011	31.12.2010
Debt securities of public issuers	289,403	215,560
Debt securities of other issuers	519,214	514,724
Shares	13,728	18,933
Investment certificates	18,440	24,634
Other equity interests	4,982	6,493
Loans and advances to banks	5,331	5,525
Loans and advances to customers	643,727	704,812
Deferred interest	11,528	17,971
<b>Financial assets - at fair value</b>	<b>1,506,353</b>	<b>1,508,652</b>

### (10) Financial assets available for sale (AFS)

Breakdown by type of business

in '000 EUR	30.09.2011	31.12.2010
Debt securities of public issuers	86,154	81,699
Debt securities of other issuers	557,555	413,192
Shares	1,142	1,143
Investment certificates	11,602	11,049
Other equity interests	18,055	19,007
Deferred interest	10,030	9,092
Other equity investments	21,386	21,135
Other investments in affiliated companies	169	164
<b>Financial assets - available for sale</b>	<b>706,093</b>	<b>556,481</b>

### (11) Financial assets held to maturity (HTM)

Breakdown by type of business

in '000 EUR	30.09.2011	31.12.2010
Debt securities of public issuers	166,201	250,342
Debt securities of other issuers	818,255	874,052
Deferred interest	17,771	24,757
<b>Financial assets - held to maturity</b>	<b>1,002,227</b>	<b>1,149,151</b>

### (12) Liabilities evidenced by certificates (LAC)

Breakdown by type of business

in '000 EUR	30.09.2011	31.12.2010
Mortgage bonds	4,879	7,051
Municipal bonds	281,459	200,415
Medium-term fixed-rate notes	901	1,036
Bonds	593,677	607,837
Housing construction bonds	132,909	144,642
Bonds issued by Pfandbriefstelle	538,643	538,586
Deferred interest	4,230	6,605
<b>Liabilities evidenced by certificates</b>	<b>1,556,698</b>	<b>1,506,172</b>

### (13) Negative market values of hedges

Breakdown by type of hedge

in '000 EUR	30.09.2011	31.12.2010
Negative market values of fair value hedges	51,204	21,681
Deferred interest on derivative hedging instruments	14,402	11,710
<b>Negative market values of hedges</b>	<b>65,606</b>	<b>33,391</b>

A detailed list of the hedging instruments is shown in Note (18).

### (14) Trading liabilities and derivatives

Breakdown by type of business

in '000 EUR	30.09.2011	31.12.2010
Negative market values of derivative financial instruments	298,639	253,716
Deferred interest	22,817	27,762
<b>Trading liabilities and derivatives</b>	<b>321,456</b>	<b>281,478</b>

A detailed list of the other derivatives is shown in Note (18).

### (15) Financial liabilities designated at fair value (LAFV)

Breakdown by type of business

in '000 EUR	30.09.2011	31.12.2010
Amounts owed to banks - at fair value	141,030	139,201
Amounts owed to customers - at fair value	492,086	486,750
Mortgage bonds - at fair value	23,948	20,727
Municipal bonds - at fair value	942,978	490,199
Bonds - at fair value	3,856,699	3,710,651
Housing construction bonds - at fair value	163,634	160,759
Bonds issued by Pfandbriefstelle - at fair value	633,820	972,055
Subordinated capital - at fair value	43,147	59,160
Supplementary capital - at fair value	113,199	97,436
Deferred interest	68,999	86,317
<b>Financial liabilities - at fair value</b>	<b>6,479,540</b>	<b>6,223,255</b>

### (16) Shareholders' equity

Equity by type

in '000 EUR	30.09.2011	31.12.2010
Share capital	150,000	150,000
Participation certificate capital	9,000	9,000
<b>Subscribed capital</b>	<b>159,000</b>	<b>159,000</b>
Capital reserves – restricted	27,579	27,579
<b>Capital reserves</b>	<b>27,579</b>	<b>27,579</b>
Retained earnings – statutory	11,102	11,102
Retained earnings – per articles of association	5,569	5,569
Retained earnings – other	216,029	216,066
Liab capital per Section 23 (6) BWG	119,079	119,079
Measurement reserve per Section 12 EStG and from unscheduled depreciation	4,322	4,814
Reserve per Section 12 EStG	481	0
Income and losses carried forward	77,620	47,333
Measurement reserve from first-time adoption	3,148	3,148
Capital consolidation difference	-3,967	-4,001
<b>Retained earnings</b>	<b>433,383</b>	<b>403,110</b>
Revaluation reserves AFS	-6,731	-2,945
Reserves from currency translation	17	188
Non-controlling interests	0	0
<b>Shareholders' equity</b>	<b>613,248</b>	<b>586,932</b>

## D. Additional IFRS disclosures

### (17) Employees

Staff	30.09.2011	31.12.2010
Full-time salaried staff	624	638
Part-time salaried staff	55	53
Apprentices	9	10
Full-time other employees	3	4
<b>Average number of employees</b>	<b>691</b>	<b>705</b>

## E. Segment reporting

Reporting by business segment

in '000 EUR		Corporate Customers	Private Customers	Financial Markets	Corporate Center	Total
Net interest income	2011	51,523	25,146	27,938	18,260	122,867
	2010	49,121	22,050	18,359	20,219	109,749
Loan loss provisions	2011	-8,517	-3,982	-163	-5,182	-17,844
	2010	-4,882	-2,085	633	-22,952	-29,286
Net fee and commission income	2011	10,357	12,830	4,622	2,401	30,210
	2010	11,088	12,109	2,966	2,328	28,491
Result from hedge relationships	2011	0	0	-465	0	-465
	2010	0	0	-493	0	-493
Net trading result	2011	2,236	1,284	-13,415	-435	-10,330
	2010	1,116	1,190	-6,674	13,633	9,265
Result from other financial instruments	2011	0	0	-10,811	-131	-10,942
	2010	190	0	-8,530	562	-7,778
Administrative expenses	2011	-20,475	-28,822	-8,157	-6,473	-63,927
	2010	-19,670	-30,700	-4,917	-5,640	-60,927
Other income	2011	-1,426	-333	-2,407	1,132	-3,034
	2010	467	133	-30	2,119	2,689
Result from equity consolidation	2011	0	0	0	5,822	5,822
	2010	0	0	0	1,241	1,241
<b>Earnings before taxes</b>	<b>2011</b>	<b>33,698</b>	<b>6,123</b>	<b>-2,858</b>	<b>15,394</b>	<b>52,357</b>
	<b>2010</b>	<b>37,430</b>	<b>2,697</b>	<b>1,314</b>	<b>11,510</b>	<b>52,951</b>
Assets	2011	5,211,322	1,690,394	5,422,126	1,810,865	14,134,707
	2010	4,909,514	1,658,213	5,051,691	1,941,732	13,561,150
Liabilities and shareholders' equity	2011	1,704,132	2,602,588	9,157,763	670,224	14,134,707
	2010	1,620,207	2,579,076	8,602,985	758,882	13,561,150
Liabilities	2011	1,438,776	2,456,949	9,020,068	605,666	13,521,459
	2010	1,364,787	2,429,574	8,456,096	723,761	12,974,218

## F. Special disclosures on financial instruments

### (18) Derivative financial instruments

Hedging derivatives

in '000 EUR	Nominal values		Positive market values		Negative market values	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Interest rate swaps	794,717	534,136	1,333	1,728	47,435	20,638
Cross-currency swaps	12,772	5,419	0	0	3,769	1,043
<b>Interest rate derivatives</b>	<b>807,489</b>	<b>539,555</b>	<b>1,333</b>	<b>1,728</b>	<b>51,204</b>	<b>21,681</b>
<b>Derivatives</b>	<b>807,489</b>	<b>539,555</b>	<b>1,333</b>	<b>1,728</b>	<b>51,204</b>	<b>21,681</b>

## Other derivatives

in '000 EUR	Nominal values		Positive market values		Negative market values	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Interest rate swaps	7,420,460	7,473,006	461,150	300,156	187,208	166,948
Cross-currency swaps	1,474,511	1,184,116	192,529	186,524	73,544	43,387
Interest rate options	647,163	740,653	3,143	3,037	3,330	3,412
Interest rate futures	10,500	20,000	0	54	163	0
<b>Interest rate derivatives</b>	<b>9,552,634</b>	<b>9,417,775</b>	<b>656,822</b>	<b>489,771</b>	<b>264,245</b>	<b>213,747</b>
FX forward transactions	1,666,047	1,966,413	26,430	32,121	26,005	31,240
FX swaps	238,798	449,434	5,071	10,402	65	964
FX options	45,276	56,316	1,430	1,889	1,430	1,889
<b>Currency derivatives</b>	<b>1,950,121</b>	<b>2,472,163</b>	<b>32,931</b>	<b>44,412</b>	<b>27,500</b>	<b>34,093</b>
Index contracts with top-quality securities	17,196	11,649	0	190	440	0
Options for top-quality securities	1,680	1,764	1,567	1,764	113	0
<b>Derivatives on top-quality securities</b>	<b>18,876</b>	<b>13,413</b>	<b>1,567</b>	<b>1,954</b>	<b>553</b>	<b>0</b>
Credit default swaps	133,882	139,426	908	25	6,341	5,876
<b>Credit derivatives</b>	<b>133,882</b>	<b>139,426</b>	<b>908</b>	<b>25</b>	<b>6,341</b>	<b>5,876</b>
<b>Derivatives</b>	<b>11,655,513</b>	<b>12,042,777</b>	<b>692,228</b>	<b>536,162</b>	<b>298,639</b>	<b>253,716</b>

## G. Financial risks and risk management

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

### (19) Overall risk management

The Bank's operations involve the following risks:

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

- **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 controls these risks as part of containing overall bank risk. The Managing Board is responsible for the overall 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. As part of the "Optimisation under Conditions of Uncertainty" project conducted at the Josef-Ressel Centre, the Bank cooperates closely with Vorarlberg University of Applied Sciences on the definition of market scenarios employed.

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 department measures credit, market, liquidity and operational risks on an overall bank 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, defining interfaces between Sales and Treasury with regard to the market interest rate method, and the level of market risk and liquidity limits. The Group Risk Controlling, Controlling, and Treasury departments are represented 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.

Non-performing loans rose slightly in the quarter from EUR 245.6 million to EUR 256.9 million. In market risk, the high level of volatility and especially the substantial increase in credit spreads led to a sharp increase in calculated risk. Capital adequacy was at all times within the limits set by the Managing Board. Liquidity Risk remains low. There are no large maturities in 2011. The bank has no significant refinancing from money markets.

Year	Date	VaR total	VaR credit spread*	VaR equities	VaR currencies	VaR interest
2010	January	4,856,739	-	2,159,401	817,399	4,549,174
	February	4,635,455	2,998,873	1,691,485	621,243	3,937,149
	March	5,034,296	2,729,187	411,403	477,944	3,716,030
	April	5,210,492	2,822,719	328,571	436,326	3,680,369
	May	6,621,339	3,969,342	314,155	587,088	3,814,230
	June	5,921,091	5,077,611	346,615	678,963	3,654,811
	July	5,372,815	4,137,267	367,669	897,466	3,576,395
	August	5,325,925	3,945,092	354,572	892,561	4,327,011
	September	5,215,730	4,323,023	378,155	1,101,409	4,269,779
2011	January	7,342,640	4,752,077	351,592	634,214	4,929,771
	February	8,084,205	4,473,216	348,647	831,147	5,834,390
	March	7,995,788	4,297,038	308,299	1,678,250	5,616,282
	April	8,095,224	3,983,740	322,423	1,000,537	6,111,742
	May	7,238,512	4,328,899	317,091	479,027	5,341,816
	June	6,490,801	4,329,153	317,123	511,731	5,111,057
	July	6,455,488	5,274,055	293,681	537,644	5,636,705
	August	7,008,530	7,656,507	287,599	800,644	7,454,576
	September	8,611,274	10,371,725	295,671	935,699	8,593,154

\*not introduced until February 2010

## (20) Consolidated capital and regulatory capital requirements

Capital requirements per Section 22 Austrian Banking Act.

in '000 EUR	30.09.2011	31.12.2010
<b>Assessment basis per Section 22 BWG</b>	<b>7,747,525</b>	<b>7,326,872</b>
Capital resource requirement for credit risk	619,802	586,150
Capital resource requirement for operational risk	27,320	25,868
<b>Total capital resource requirements</b>	<b>647,122</b>	<b>612,018</b>

Consolidated capital per Section 23 in conjunction with Section 24 Austrian Banking Act.

in '000 EUR	30.09.2011	31.12.2010
<b>Core capital (tier 1)</b>	<b>665,712</b>	<b>662,556</b>
Paid-in capital	159,000	159,000
Capital reserves	27,579	27,579
Retained earnings	238,395	238,390
Liable capital	119,075	119,079
Minority interests per Section 24 (2) no. 1 BWG	105,983	101,243
Consolidation per Section 24 (2) BWG	17,132	18,605
Intangible assets	-1,452	-1,340
<b>Supplementary capital resources (tier 2)</b>	<b>337,289</b>	<b>338,102</b>
Supplementary capital	105,801	102,192
Remeasurement reserve	43,488	30,110
Subordinated capital	188,000	205,800
<b>Deductions</b>	<b>-3,517</b>	<b>-3,558</b>
<b>Attributable capital resources (tier 1 plus tier 2 minus deductions)</b>	<b>999,484</b>	<b>997,100</b>
<b>Assessment basis (banking book)</b>	<b>7,747,525</b>	<b>7,326,872</b>
Core capital ratio (banking book)	8.59 %	9.04 %
Solvency ratio (banking book)	12.90 %	13.61 %
<b>Assessment basis (modified)</b>	<b>8,089,025</b>	<b>7,650,225</b>
Core capital ratio	8.23 %	8.66 %
Solvency ratio	12.36 %	13.03 %

## H. 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

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, 4 November 2011

### Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft

The members of the Managing Board



Jodok Simma  
CEO, Chairman of the Managing Board

Corporate customers sales  
Accounting



Johannes Hefel  
Managing Board member

Private customers sales



Michael Grammer  
Managing Board member

Riskmanagement

## Branch Offices / Subsidiaries

### Vorarlberg: Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft, [www.hypovbg.at](http://www.hypovbg.at)

International dialing code for Austria: +43

<b>Headquarters:</b>	6900 Bregenz, Hypo-Passage 1	T (0) 50 414-1000	F -1050
<b>6900 Bregenz</b>	Vorkloster, Heldendankstraße 33	T (0) 50 414-1800	F -1850
<b>6700 Bludenz</b>	Am Postplatz 2	T (0) 50 414-3000	F -3050
<b>6850 Dornbirn</b>	Rathausplatz 6	T (0) 50 414-4000	F -4050
<b>6850 Dornbirn</b>	Messepark, Messestraße 2	T (0) 50 414-4200	F -4250
<b>6863 Egg</b>	Wälderpark, HNr. 940	T (0) 50 414-4600	F -4650
<b>6800 Feldkirch</b>	Neustadt 23	T (0) 50 414-2000	F -2050
<b>6800 Feldkirch</b>	LKH Feldkirch, Carinagasse 47-49	T (0) 50 414-2400	F -2450
<b>6793 Gaschurn</b>	Schulstraße 6b	T (0) 50 414-3400	F -3450
<b>6840 Götzis</b>	Hauptstraße 4	T (0) 50 414-6000	F -6050
<b>6971 Hard</b>	Landstraße 9	T (0) 50 414-1600	F -1650
<b>6973 Höchst</b>	Hauptstraße 25	T (0) 50 414-5200	F -5250
<b>6845 Hohenems</b>	Bahnhofstraße 19	T (0) 50 414-6200	F -6250
<b>6923 Lauterach</b>	Hofsteigstraße 2a	T (0) 50 414-6400	F -6450
<b>6764 Lech</b>	HNr. 138	T (0) 50 414-3800	F -3850
<b>6890 Lustenau</b>	Kaiser-Franz-Josef-Straße 4a	T (0) 50 414-5000	F -5050
<b>6830 Rankweil</b>	Ringstraße 11	T (0) 50 414-2200	F -2250
<b>6830 Rankweil</b>	LKH Rankweil, Valdunastraße 16	T (0) 50 414-2600	F -2650
<b>6780 Schruns</b>	Jakob-Stemer-Weg 2	T (0) 50 414-3200	F -3250

### Kleinwalsertal: Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft, [www.hypo-kleinwalsertal.de](http://www.hypo-kleinwalsertal.de)

6993 Mittelberg, Walsersstraße 362	T (0) 50 414-8400	F -8450
6991 Riezlern, 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
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### Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft, Mobile Sales Unit

1010 Vienna, Singerstraße 12	T (0) 50 414-7700	F -7750
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### Styria: Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft

8010 Graz, Joanneumring 7	T (0) 50 414-6800	F -6850
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### Upper Austria: Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft

4600 Wels, Kaiser-Josef-Platz 49	T (0) 50 414-7000	F -7050
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### Switzerland: Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft, [www.hypobank.ch](http://www.hypobank.ch)

9004 St. Gallen, Bankgasse 1	T +41 (0) 71 228 85-00	F -19
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### Italy: Hypo Vorarlberg GmbH

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### Hypo Vorarlberg Leasing AG

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24100 Bergamo, Via Vittorio Emanuele II	T +39 035 210 751	F 210 609
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### Hypo Vorarlberg Leasing AG

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### Hypo Vorarlberg Leasing AG

31100 Treviso, Vicolo Veronese 6	T +39 0422 55357	F 548529
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\*050-number for local rate