

## Ad hoc announcement pursuant to article 53 LR

# LLB Group posts record result

### Milestone with business volume

*Vaduz, 24 August 2021.* The LLB Group can look back on a very good first half year in 2021. For the first time in the 160-year history of LLB the business volume exceeded the 100-billion Swiss francs mark. Group net profit increased to CHF 71.1 million. All three market divisions and booking centres contributed to this robust growth.

- ♦ At CHF 101.9 billion, the business volume was 9.7 percent above the previous year's level.
- ♦ At CHF 71.1 million (+ 18.2 %), Group net profit substantially exceeded the previous year's value.
- ♦ Net new money inflow amounted to CHF 2.7 billion.
- ♦ Loans to clients rose by 2.2 percent to CHF 13.5 billion.
- ♦ The tier 1 ratio remained stable at 20.8 percent.
- ♦ The cost/income was reduced to 65.1 percent.

"In spite of many challenges, the first half year of 2021 developed very positively for the LLB Group. We achieved a very good result. We have therefore demonstrated once again that we can continue to perform at the highest level and be counted on as a reliable partner even in very challenging times", pointed out Georg Wohlwend, Chairman of the Board of Directors.

### Historic milestone with business volume

In the first half year of 2021, the LLB Group expanded its business volume to over 100 billion Swiss francs – a milestone in the 160-year history of the company. Record volumes with mortgage loans and client assets under management, as well as consistently high net money inflows, together

with a positive market performance contributed to this result. "This clearly shows that the quality of our services coupled with our high levels of stability and security are genuinely appreciated by our clients", said Group CEO Gabriel Brenna in explaining the very positive development.

### **Net new money inflow of CHF 2.7 billion**

Net new money inflow has proven to be an especially important growth driver. In the first half year of 2021, the LLB Group generated CHF 2.7 billion of new money, more than twice as much as in the equivalent period in the previous year (first half 2020: CHF 1.0 billion). The gratifying development was achieved by the efforts of all market divisions and booking centres. Client assets under management climbed to CHF 88.3 billion (31.12.2020: CHF 79.7 billion), clearly demonstrating the LLB Group's dynamic growth momentum. Accordingly, Group CEO Gabriel Brenna was optimistic: "We are convinced that we can continue to grow our business. The positive development over recent years, our clients' trust in us, and our own innovative power underpin our confidence in going forward."

### **Record client loans**

Loans to clients posted a gain of 2.2 percent to CHF 13.5 billion in the first half year. Mortgage loans make up the largest proportion of loan volume. At CHF 12.0 billion (31.12.2020: CHF 11.7 billion), these also attained a new record level. Other loans to clients increased to CHF 1.6 billion (31.12.2020: CHF 1.5 billion).

### **Higher earnings**

The LLB Group's operating income rose by 10.2 percent to CHF 231.8 million (first half 2020: CHF 210.4 million). The record business volume, higher earnings in business with clients and the high quality of the loan book all contributed to this pleasing result.

A further improvement was achieved in the quality of earnings in client business. The LLB Group made particularly good progress in fee and commission business. Net fee and commission income increased by CHF 9.2 million to CHF 108.6 million. The increase was largely attributable to portfolio-related earnings with LLB Invest advisory mandates and higher volumes of client assets. In spite of the pressure on margins, interest income from business with clients rose to CHF 79.0 million (first half 2020: CHF 77.6 million). The LLB Group reported reduced revenues from other interest business due to market factors. In total, net interest income at CHF 76.6 million (first half

2020: CHF 78.8 million) was slightly lower than in the previous year's period owing to the negative interest rate environment.

Whereas, on account of higher risk provisioning, allowances for expected credit losses of CHF 13.8 million were allocated in the first half of 2020, provisions of CHF 1.0 million were released in favour of the income statement in the first half of 2021. This clearly demonstrates the very high quality and resilience of the LLB Group's loan book.

During the first half of the previous year, income from client trading had benefitted especially from the higher volume of trading activity due to market turbulence. As was expected, income in the first half of 2021 was CHF 5.9 million lower than in the previous year (first half 2021: CHF 32.4 million).

#### **Improved cost/income ratio**

In line with expectations, operating expenses climbed to CHF 150.7 million (+ 5.3 %): In the first half of the previous year one-time effects amounting to CHF 10 million had had a positive impact. Adjusted to consider these non-recurring effects, operating expenses were CHF 5.7 million lower than in the previous year. Among other factors, this was attributable to strict cost and personnel management, as well as the exploitation of synergies in business processes. At CHF 71.1 million, Group net profit was 18.2 percent higher than in the previous year's period, corresponding to the best half-year business result in the last ten years.

The cost/income ratio improved to 65.1 percent (first half 2020: 65.5 %). Accordingly, the LLB Group attained the financial goal of a cost/income ratio of maximum 65 percent as defined in its StepUp2020 strategy.

## Key figures at a glance

	First half 2021	First half 2020	+/- %
Operating income (in CHF millions)	231.8	210.4	10.2
Operating expenses (in CHF millions)	-150.7	-143.1	5.3
Group net profit (in CHF millions)	71.1	60.2	18.2
Net new money inflow (in CHF millions)	2'748	1'028	167.3
RoE (in %)	6.6	5.9	
Earnings per share (in CHF)	2.20	1.87	17.4
Cost/income ratio (in %)	65.1	65.5	
	30.06.2021	31.12.2020	+/- %
Tier 1 ratio (in %)	20.8	21.6	
Business volume (in CHF billions)	101.9	92.9	9.7
Client assets under management (in CHF billions)	88.3	79.7	10.9
Loans to clients (in CHF billions)	13.5	13.2	2.2
Total assets (in CHF billions)	24.8	23.6	5.3

## Growth offensive in Austria

In March 2021, the LLB Group concluded a referral deal with Credit Suisse. The aim of this deal was to enable the LLB Group to take over private banking clients in Austria up to a level of one billion euros in client assets under management. This permits the Group to expand its client base in private banking and consolidate its position as the leading wealth management bank in Austria. In addition, Liechtensteinische Landesbank is opening a second business base in Austria for the first time. Starting in autumn, in addition to its headquarters in Vienna, it will have a business presence in Salzburg. The new branch office offers an advantageous strategic and geographical location from which to achieve further growth in western Austria and southern Germany.

## New corporate strategy

On account of the uncertainties generated by the pandemic, the Board of Directors decided last year to continue applying the tried and tested StepUp2020 strategy for longer than originally planned. The strategy was extended until the end of 2021. The last few months have been used to

work intensively on the follow-up strategy. The LLB Group will present this new corporate strategy at the end of October.

### **Outlook**

The operating environment continues to be challenging. On account of the numerous economic and geopolitical uncertainties it is difficult to make forecasts. In spite of this tense situation, the LLB Group continues to be confident as regards the full 2021 business year. "Our business model is valid, the LLB Group is growing and, as we have demonstrated in recent months, we have the ability to meet and master great challenges. Therefore we are aiming to achieve another solid business result over the full financial year", said Group CEO Gabriel Brenna.

### **Detailed information on the 2021 interim result**

The documents on the 2021 interim financial reporting of the LLB Group will be available from 7.00 a.m. on 24 August 2021 on our website [www.llb.li](http://www.llb.li). An interactive online version of the 2021 interim financial reporting will also be available at <http://hb2021.llb.li> (German version) and at <http://hr2021.llb.li> (English version).

### **Conference Call**

The 2021 interim business result of the LLB Group will be presented in a conference call on 24 August 2021, at 10.30 a.m. The conference call will be held in German. Please use the following telephone numbers to dial in to the conference:

+41 (0)58 310 50 00 (Switzerland / Liechtenstein and all other countries)

+43 (0) 720 88 25 49 (Austria)

A recording of the conference call can be accessed on 24 August 2021 from 1.00 p.m. as an audio file at our website: [www.llb.li](http://www.llb.li)

### **Important dates**

- Wednesday, 27 October 2021 (after stock exchange close), presentation of the new corporate strategy
- Thursday, 28 October 2021, Investors Day
- Friday, 6 May 2022, 30th ordinary Annual General Meeting of Shareholders

### **Disclaimer**

To measure our performance, we employ alternative key figures, which are not defined in the International Financial Reporting Standards (IFRS). Details can be found at [www.llb.li/investors-apm](http://www.llb.li/investors-apm).

### **Brief portrait**

Liechtensteinische Landesbank AG (LLB) is the longest established financial institute in the Principality of Liechtenstein. The majority of the company's share capital is held by the Principality of Liechtenstein. LLB's shares are listed on the SIX Swiss Exchange (Symbol: LLBN). The LLB Group offers its clients comprehensive wealth management services, as a universal bank, in private banking, asset management and fund services. With 1'048 employees (full-time equivalent positions), LLB is represented in Liechtenstein, Switzerland, Austria and the United Arab Emirates (Abu Dhabi and Dubai). As per 30 June 2021, the business volume of the LLB Group stood at CHF 101.9 billion.

### **Contact**

Liechtensteinische Landesbank AG

Cyrill Sele, Head Group Corporate Communications & Sustainability

Telephone +423 236 82 09, Fax +423 236 87 71, E-mail [ir@llb.li](mailto:ir@llb.li), Internet [www.llb.li](http://www.llb.li)