

Ad hoc announcement pursuant to Art. 53 LR LLB Group with higher profit

Vaduz, 24 August 2022. The LLB Group has reaffirmed its dynamic growth in the first half of 2022. All market divisions and booking centres contributed to this growth. In spite of the challenging market environment, Group net profit was increased to CHF 75.9 million. The further improvement in operative efficiency was particularly pleasing. As a result of its public tender offer, Liechtensteinische Landesbank has expanded its equity stake in Bank Linth to 99.9 per cent and plans to delist it by the end of the year.

- ♦ At CHF 75.9 million (+ 6.8 %), Group net profit exceeded the previous year's value.
- ♦ The Cost Income Ratio was reduced to 62.8 per cent (–2.3 pp).
- ♦ Net new money inflow amounted to CHF 2.5 billion (+5.5 % annualised).
- ♦ Loans to clients rose by 2.7 per cent to CHF 14.2 billion.
- ♦ The Tier 1 ratio amounted to 18.4 per cent.

"In spite of the challenging environment, we succeeded in achieving a pleasing business result in the first half of 2022. This demonstrates that we enjoy the trust of our clients and that we are on the correct strategic course with our business model", summarised Georg Wohlwend, Chairman of the Board of Directors of LLB Group.

Net new money inflow of CHF 2.5 billion

2021 was an extremely successful year for the LLB Group, marked above all by robust growth. This positive momentum was continued in the first half of 2022 both with net new money and loans to clients.

Thanks to intensive marketing and sales efforts, the LLB Group generated CHF 2.5 billion in net new money, corresponding to an annualised growth rate of 5.5 per cent. Both market divisions and all booking centres contributed to this gratifying development.

New increase in loans to clients

Loans to clients rose by CHF 0.4 billion in the first half year (first half 2021: CHF 0.3 billion).

Mortgage loans make up the largest proportion of loan volume. At CHF 12.5 billion (31.12.2021: CHF 12.2 billion), these also attained a new record level. Both mainstays – Bank Linth in eastern Switzerland and LLB in Liechtenstein – contributed to this growth. Other loans to clients increased to CHF 1.7 billion (31.12.2021: CHF 1.6 billion).

On account of substantial market corrections, client assets under management decreased by 8.4 per cent to CHF 84.2 billion (31.12.2021: CHF 91.9 billion). Good organic growth enabled the resulting, market-related contraction in the business volume to be cushioned to 6.9 per cent or CHF 7.3 billion to a total of CHF 98.4 billion (31.12.2021: CHF 105.7 billion).

Diversified earnings structure

Operating income rose in the first half of 2022 by 4.4 per cent to CHF 241.9 million (first half 2021: CHF 231.8 million).

In comparison with the equivalent period in the previous year, net fee and commission income climbed by CHF 4.1 million to CHF 112.7 million (first half 2021: CHF 108.6 million). The increase in portfolio-related revenues was largely attributable to the higher average volume of client assets compared with the previous year.

Trading income expanded substantially by 41.6 per cent to CHF 53.2 million (first half 2021: CHF 37.6 million). Among other factors, the increase was due to higher volumes of client trading activity. In addition, thanks to higher US dollar interest rates, the treasury contribution was larger. In comparison with the previous year, interest income before expected credit losses fell by 4.2 per cent or CHF 3.2 million to CHF 73.4 million (first half 2021: CHF 76.6 million). Interest business with clients benefitted from targeted growth with mortgage loans. Interest income from business with clients remained constant. The LLB Group increased its provisions for credit risks slightly by CHF 3.4 million.

Strategy-related rise in operating expenses

On account of investments made in implementing the new ACT-26 strategy, in line with expectations, operating expenses climbed in the first half of 2022 by 2.5 per cent compared with the previous year to CHF 154.5 million (first half 2021: CHF 150.7 million). Personnel expenses rose

by 2.4 per cent or CHF 2.2 million to CHF 96.2 million (first half 2021: CHF 94.0 million). At CHF 40.2 million, general and administrative expenses were 6.8 per cent higher than in the equivalent period in the previous year (first half 2021: CHF 37.6 million).

Improved Cost Income Ratio

In spite of the investments made in the new corporate strategy, the Cost Income Ratio improved again to stand at 62.8 per cent. This reflects the LLB Group's continually improving efficiency levels and its strict control of costs.

Key figures at a glance

	First half 2022	First half 2021	+/- %
Operating income (in CHF millions)	241.9	231.8	4.4
Operating expenses (in CHF millions)	-154.5	-150.7	2.5
Group net profit (in CHF millions)	75.9	71.1	6.8
Net new money inflow (in CHF millions)	2'509	2'748	-8.7
RoE (in %)	7.2	6.6	
Earnings per share (in CHF)	2.42	2.20	
Cost Income Ratio (in %)	62.8	65.1	
	30.06.2022	31.12.2021	+/- %
Tier 1 ratio (in %)	18.4	20.3	
Business volume (in CHF billions)	98.4	105.7	-6.9
Client assets under management (in CHF billions)	84.2	91.9	-8.4
Loans to clients (in CHF billions)	14.2	13.8	2.7
Total assets (in CHF billions)	26.1	25.1	4.0

LLB AG concludes its public tender offer

After completing its public tender offer, Liechtensteinische Landesbank AG has now increased its share stake in Bank Linth to 99.9 per cent. In a further step, the shares of Bank Linth will be delisted from the Swiss Exchange. This will enable Bank Linth, as a retail bank, to focus even more intensively on its clients and their requirements.

Successful start to ACT-26 strategy

The LLB Group has made a dynamic start to implementing its ACT-26 strategy. In a challenging market environment, it is continuing to count on sustainable, profitable growth. The

implementation of the three core elements growth, efficiency and sustainability is proceeding according to plan. In the case of its digital transformation programme LLB.ONE, the first strategic initiatives are already being realised to further develop innovative client interfaces, make internal processes faster and simpler and generally increase the scalability of the LLB Group. The LLB Group is also making rapid progress in the area of sustainability. It has already expanded the range of its sustainable products by offering new dark green Impact Investment Funds as well as the purely digital, sustainable wiLLBe asset management app. Parallel to these measures, the LLB Group is striving to reduce its own carbon emissions. In March 2022, it became an official partner of the Climate Pledge. In this context, as the first bank in Liechtenstein, Switzerland and Austria to do so, it has committed to implementing the Paris climate agreement and reaching climate neutrality ten years earlier than agreed.

Outlook

The market environment remains challenging. Factors such as the tense geopolitical situation, rising inflation, fears of an economic recession and the continuing highly contagious corona pandemic make the business environment even more difficult. In spite of this tense and demanding situation, the LLB Group continues to be confident. "In the first six months of this year, we have again proven that we can master difficult business conditions and continue to grow successfully and forge ahead with the positive development of the LLB Group. We expect to achieve a solid result for the full 2022 business year", said Group CEO Gabriel Brenna.

Detailed information on the 2022 interim result

The documents on the 2022 interim financial reporting of the LLB Group will be available from 7.00 a.m. on 24 August 2022 on our website www.llb.li. An interactive online version of the 2022 interim financial reporting will also be available at hb2022.llb.li (German version) and at hr2022.llb.li (English version).

Conference Call

The 2022 interim business result of the LLB Group will be presented as a Webcast and in a conference call on 24 August 2022, at 10.30 a.m. in German. You can participate in the Webcast via the link <https://event.choruscall.com/mediaframe/webcast.html?webcastid=48kBseuy>. Please use the following telephone numbers to dial in to the conference call:

+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 2022 from 1.00 p.m. as an audio file at our website www.llb.li.

Important dates

- Monday, 27 February 2023, presentation of the 2022 business result
- Friday, 5 May 2023, 31st ordinary 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.

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 1'065 employees (full-time equivalent positions), LLB is represented in Liechtenstein, Switzerland, Austria and the United Arab Emirates. As per 30 June 2022, the business volume of the LLB Group stood at CHF 98.4 billion.

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