

Ad hoc announcement pursuant to Art. 53 LR

LLB Group with substantially higher profit

Vaduz, 24 August 2023. In the first half year of 2023 the LLB Group again increased profit. Group net profit rose to CHF 88.7 million. It was therefore the best half year result for over ten years. The LLB Group is investing in further growth. Starting in 2024, it will therefore open three business locations in Germany.

- ♦ At CHF 88.7 million (+16.8 %), Group net profit substantially exceeded the previous year's level.
- ♦ The business volume again exceeded the 100-billion francs level.
- ♦ The Cost Income Ratio was reduced again to 61.0 per cent (–1.8 pp).
- ♦ Loans to clients increased to CHF 14.9 billion. Net new loans amounted to CHF 455.0 million (+6.3 % annualised).
- ♦ Net new money inflow totalled CHF 0.8 billion (+1.9 % annualised).
- ♦ The tier 1 ratio stood at 19.2 per cent.

"We are very satisfied with the success of our first half year. This shows that, both operatively as well as strategically, we are correctly positioned and focused", Georg Wohlwend, Chairman of the Board of Directors of the LLB Group, commented on the result.

Business volume over CHF 100 billion

In the first half year of 2023, the LLB Group maintained its dynamic growth momentum. This was especially visible in its lending business. The banking group posted net new loans of CHF 455.0

million, corresponding to an annualised growth rate of 6.3 per cent. Thanks to an unchanged risk-conscious lending policy, the quality of the mortgage portfolio remains high. Around 90 per cent of loans are covered by mortgages. The average collateral value remained stable at around 50 per cent.

In the first half year, the LLB Group attracted net new money amounting to CHF 805.6 million, representing an annualised growth of 1.9 per cent. Client assets under management attained a volume of CHF 87.4 billion (31.12.2022: CHF 83.9 billion).

Thanks to the growth in loans to clients, the net new money inflows and the positive market performance in the first half year, the business volume again exceeded the 100-billion francs level and stood at CHF 102.3 billion on 30 June 2023 (31.12.2022: CHF 98.4 billion).

LLB Group increases operating income

In the first half year of 2023 operating income increased by 10.5 per cent to CHF 267.2 million: (first half 2022: CHF 241.9 million). Here the LLB Group benefitted from the rise in interest rates, as reflected in interest income, but especially in trading income. Interest differential business improved by more than 11 per cent to CHF 81.8 million. Thanks to active management of the liability items in its balance sheet, held principally in foreign currencies, mainly in euros and US dollars, trading income rose by 55.1 per cent to CHF 82.5 million. "Thanks to the turnaround with interest rates, the market environment has significantly improved. This generates additional momentum for us", summarised Group CFO Christoph Reich commenting on the successful half year result. In contrast, net fee and commission income fell by 13.3 per cent to CHF 97.7 million. This was attributable mainly to the lower average volume of portfolios in comparison with the equivalent period in the previous year, the lower level of trading activity, and reduced earnings from real estate business in Austria.

Improved cost efficiency in spite of investments in the future

At CHF 164.3 million, as expected, operating expenses in the first half year of 2023 were 6.3 per cent higher than in the previous year. This was largely attributable to the growth in personnel expenses because in the previous months LLB Group had created more than a hundred jobs, largely in relation to the Group's digital transformation. General and administrative expenses also increased as a result of further investments in line with the new strategy. At CHF 42.5 million,

these were up 5.8 per cent on the same period in the previous year (first half 2022: CHF 40.2 million).

Despite these investments in the future, the Cost Income Ratio again improved to 61.0 per cent (first half of 2022: 62.8 %). This reflects both the LLB Group's higher earnings and constantly improving efficiency.

Key figures at a glance

	First half 2023	First half 2022	+/- %
Operating income (in CHF millions)	267.2	241.9	10.5
Operating expenses (in CHF millions)	-164.3	-154.5	6.3
Group net profit (in CHF millions)	88.7	75.9	16.8
Net new money (in CHF millions)	806	2'509	-67.9
Net new loans (in CHF millions)	455	449	1.4
RoE (in %)	8.7	7.2	
Earnings per share (in CHF)	2.89	2.42	
Cost Income Ratio (in %)	61.0	62.8	
	30.06.2023	31.12.2022	+/- %
Tier 1 ratio (in %)	19.2	19.7	
Business volume (in CHF billions)	102.3	98.4	4.0
Client assets under management (in CHF billions)	87.4	83.9	4.2
Loans to clients (in CHF billions)	14.9	14.4	2.9
Total assets (in CHF billions)	25.3	25.2	0.1

Successful implementation of ACT-26 strategy

The implementation of the ACT-26 strategy with all three strategic core elements – growth, efficiency and sustainability – is progressing according to plan.

In May, the LLB Group announced that, building on the strengths of Bank Linth, it would expand its activities and business presence in Switzerland and, in future, all its companies would operate under the modern, strong, "LLB" uniform corporate brand.

LLB Group opens three new business locations in Germany

In a further step, the LLB Group will invest in Germany, the largest private banking market in Europe. "In recent years, we have noted a sharp increase in demand from German clients. They appreciate the stability and security, as well as the quality of Liechtensteinische Landesbank. Since we believe there is further potential in this market, in future we want to have a business presence in Germany", explained Group CEO Gabriel Brenna. Accordingly, at the beginning of 2024, the LLB Group plans to open a branch office with three business locations in Frankfurt, Dusseldorf and Munich having a total of around 40 employees.

Public share repurchase programme

LLB AG is launching a public share repurchase programme. It intends to repurchase up to 400'000 own registered shares via the ordinary trading line of the SIX Swiss Exchange. This corresponds to 1.3 per cent of the share capital. The buyback of shares will be made in accordance with the authorisation granted by the General Meeting of Shareholders on 6 May 2022 to acquire shares totalling a maximum of 10 per cent of the share capital. The repurchased shares will be used for treasury management purposes. The repurchase programme commences on 28 August 2023 and will last until 27 August 2026 at the latest. No cancellation of shares will occur. For further information regarding the share repurchase programme please click <http://www.llb.li/sharebuyback>.

Outlook

"We are confident that we can maintain the positive development of the LLB Group. We have a stable business model, a diversified earnings structure and a clear, forward-looking strategy that works", says Group CEO Gabriel Brenna. The LLB Group expects to achieve a solid result for the full year.

Detailed information on the 2023 interim result

The documents on the 2023 interim financial reporting of the LLB Group will be available from 7.00 a.m. on 24 August 2023 on our website <http://www.llb.li>. An interactive version of the 2023

interim financial reporting will also be available at <http://www.hb2023.llb.li> (German version) and at <http://www.hr2023.llb.li> (English version).

Conference Call

The 2023 interim business result of the LLB Group will be presented as a webcast and in a conference call on 24 August 2023, at 10.30 a.m. in German. You can participate in the webcast via the link <https://media.choruscall.eu/mediaframe/webcast.html?webcastid=SGRD02h7>. 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 2023 from 1.00 p.m. as an audio file at our website <http://www.llb.li>.

Important dates

- Monday, 26 February 2024, presentation of the 2023 business result
- Friday, 19 April 2024, 32nd ordinary General Meeting of Shareholders

Disclaimer

To measure our performance, we employ alternative key financial figures, which are not defined in the International Financial Reporting Standards (IFRS). Details can be found at <http://www.llb.li/investoren-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 1'168 employees (full-time equivalent positions), LLB is represented in Liechtenstein, Switzerland, Austria and the United Arab Emirates. As per 30 June 2023, the business volume of the LLB Group stood at CHF 102.3 billion.

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