

Ad hoc announcement pursuant to article 53 LR

LLB Group increases profit significantly

Vaduz, 26 February 2024. In the 2023 business year, the LLB Group again increased its profit to CHF 164.7 million, therefore attaining the best business result in more than ten years. For the second time in the history of the company, the business volume exceeded the CHF 100-billion mark. In spite of substantial strategic investments, profitability again improved.

- At CHF 164.7 million (+10.2 %), Group net profit was well above the previous year's result.
- The business volume once more exceeded the 100-billion Swiss Francs mark.
- At 64.3 per cent, the Cost Income Ratio was again below the self-defined maximum level of 65.0 per cent.
- Loans to clients expanded to CHF 15.3 billion. Net new loans totalled CHF 953.9 million (+6.6 %).
- The net new money inflow amounted to CHF 1.4 billion (+1.6 %).
- The tier 1 ratio stood at 19.8 per cent.
- Three members of the Board of Directors have put themselves forward to the General Meeting of Shareholders for re-election.
- It is proposed to increase the dividend again from CHF 2.50 to CHF 2.70.

"The LLB Group achieved a very gratifying result in the last business year. This once more demonstrates that our strategic decisions pay off. I want to thank all of our employees for their passionate commitment. They are the foundation of our success," said Georg Wohlwend, Chairman of the Board of Directors of the LLB Group, in commenting on the very good business result.

Business volume over CHF 100 billion

In the 2023 business year too, the LLB Group maintained its dynamic growth momentum. This was especially evident in its lending business. The banking group posted net new loans of nearly CHF 1.0 billion, corresponding to a growth rate of 6.6 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.

Furthermore, the LLB Group was able to attract net new money amounting to CHF 1.4 billion. Pleasing growth was recorded in private banking, corporate client business and business with institutional clients. This was offset by outflows in the custodian bank and property fund business. At the end of 2023, client assets under management attained a volume of CHF 86.9 billion (31.12.2022: CHF 83.9 billion). Thanks to the growth in loans to clients, the new money inflows and the positive performance of the markets, the business volume again expanded to exceed the 100-billion francs mark, reaching CHF 102.2 billion at 31 December 2023 (31.12.2022: CHF 98.4 billion).

LLB Group increases operating income

In the last business year, operating income rose by 7.7 per cent to CHF 541.8 million (2022: CHF 503.2 million). This was reflected, on the one hand, in interest income, but especially in trading income. Interest differential business improved by a total of 8.0 per cent to CHF 164.4 million. Interest income climbed strongly to CHF 458.4 million. Since the end of the Swiss National Bank's negative interest era, LLB has successively raised interest rates. Accordingly, clients also benefitted from the positive interest rate trend, as reflected in the increase in interest expenses of 228.4 per cent to CHF 294.0 million.

Thanks to the active management of excess client funds in foreign currencies in the balance sheet – predominantly in euros and US dollars – income from trading business rose by 27.2 per cent to CHF 173.2 million. "Thanks to the turnaround with interest rates, the market environment has significantly improved for us. Furthermore, because of this we can once more offer our clients attractive, interest-bearing investment possibilities in time deposits and savings deposits," commented Group CFO Christoph Reich on the new interest rate environment.

In comparison, net fee and commission income fell by 5.2 per cent to CHF 200.0 million. This was largely attributable to smaller custody account volumes compared with the previous year, lower trading activity and lower earnings from real estate business in Austria.

High cost efficiency in spite of investments in the future

At CHF 348.4 million, as expected, operating expenses in the 2023 business year were 6.1 per cent higher than in the previous year (2022: CHF 328.2 million). This was mainly due to higher personnel expenses. During last year, in line with its strategy, the LLB Group created around 100 jobs, particularly in the digital transformation areas and in segments dealing directly with clients. In addition, salaries were adjusted for

inflation. General and administrative expenses also increased in accordance with the new strategy. At CHF 99.9 million, these were 4.1 per cent up on the previous year (2022: CHF 96.0 million).

In spite of these investments in the future, the Cost Income Ratio stood at a pleasing 64.3 per cent (2022: 64.0 %). This reflects both the LLB Group's higher earnings and constantly improving efficiency.

With a tier 1 ratio of 19.8 per cent and an Aa2 rating from Moody's, the LLB Group stands for the highest level of security and stability.

Key figures at a glance

	2023	2022	+/- %
Operating income (in CHF millions)	541.8	503.2	7.7
Operating expenses (in CHF millions)	-348.4	-328.2	6.1
Group net profit (in CHF millions)	164.7	149.4	10.2
Net new money (in CHF millions)	1'381	3'609	-61.7
Net new loans (in CHF millions)	954	762	25.1
RoE (in %)	7.9	7.2	
Earnings per share (in CHF)	5.37	4.82	
Cost Income Ratio (in %)	64.3	64.0	
	31.12.2023	31.12.2022	+/- %
Tier 1 ratio (in %)	19.8	19.7	
Business volume (in CHF billions)	102.2	98.4	3.9
Client assets under management (in CHF billions)	86.9	83.9	3.6
Loans to clients (in CHF billions)	15.3	14.4	5.9
Total assets (in CHF billions)	25.7	25.2	1.9

Attractive dividend yield

At the forthcoming General Meeting of Shareholders on 19 April 2024, the Board of Directors of the LLB Group will propose an increase in the dividend of 8 per cent from CHF 2.50 to CHF 2.70. The dividend yield thus amounts to 4.1 per cent. This benefits not only investors and shareholders, but also the Principality of Liechtenstein, which as the majority shareholder, has received CHF 43.3 million. Including taxes and duties, this means that a total of CHF 45.2 million will be credited to the State.

Elections at the General Meeting

At the General Meeting in April, the three-year terms of office of three members of the LLB Board of Directors come to an end. In addition to Board Chairman Georg Wohlwend, who has been in office since

2017, Vice Chairman Richard Senti will seek election for another term. Thomas Russenberger who, like Richard Senti, has also been a member of the Board since 2018, will also stand for re-election.

Outlook

The implementation of the ACT-26 strategy with all three strategic core elements – growth, efficiency and sustainability – is progressing according to plan. To drive growth even faster, the LLB Group opened three new business locations in Germany in January 2024 (in Munich, Frankfurt and Dusseldorf). In the first half of 2024, two new locations in Switzerland will be added, in Zurich and St. Gallen. Group CEO Gabriel Brenna is therefore positive about the business outlook: "Our success in recent years is the result of a clear, forward-looking strategy and the great dedication of our employees. We are confident that we can continue this success in the future." The LLB Group expects to achieve a solid business result in 2024.

Important dates

- Friday, 19 April 2024, 32nd ordinary General Meeting of Shareholders
- Monday, 26 August 2024, presentation of 2024 interim business result

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 seen at www.llb.li/investors-qpm.

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 1'213 employees (full-time equivalent positions), LLB is represented in Liechtenstein, Switzerland, Austria, Germany and the United Arab Emirates. As per 31 December 2023, the business volume of the LLB Group stood at CHF 102.2 billion.

Contact

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