

25 August 2016

Conference Call of the LLB Group

# Interim Financial Reporting 2016

# Agenda

## Highlights StepUp2020

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Roland Matt, Group CEO

## Financial result

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Christoph Reich, Group CFO

## Outlook

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Dr. Hans-Werner Gassner, VR-Präsident  
Roland Matt, Group CEO

## Questions

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# Highlights StepUp2020

# Group net profit increased in challenging environment

Tier 1 ratio


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**20.3 %**  
(-0.3 pp)

Cost/income ratio

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**69.8 %**  
(+3.2 pp)



Group net profit  
**CHF 43.0**  
million  
(+5.5 %)

Assets under  
management

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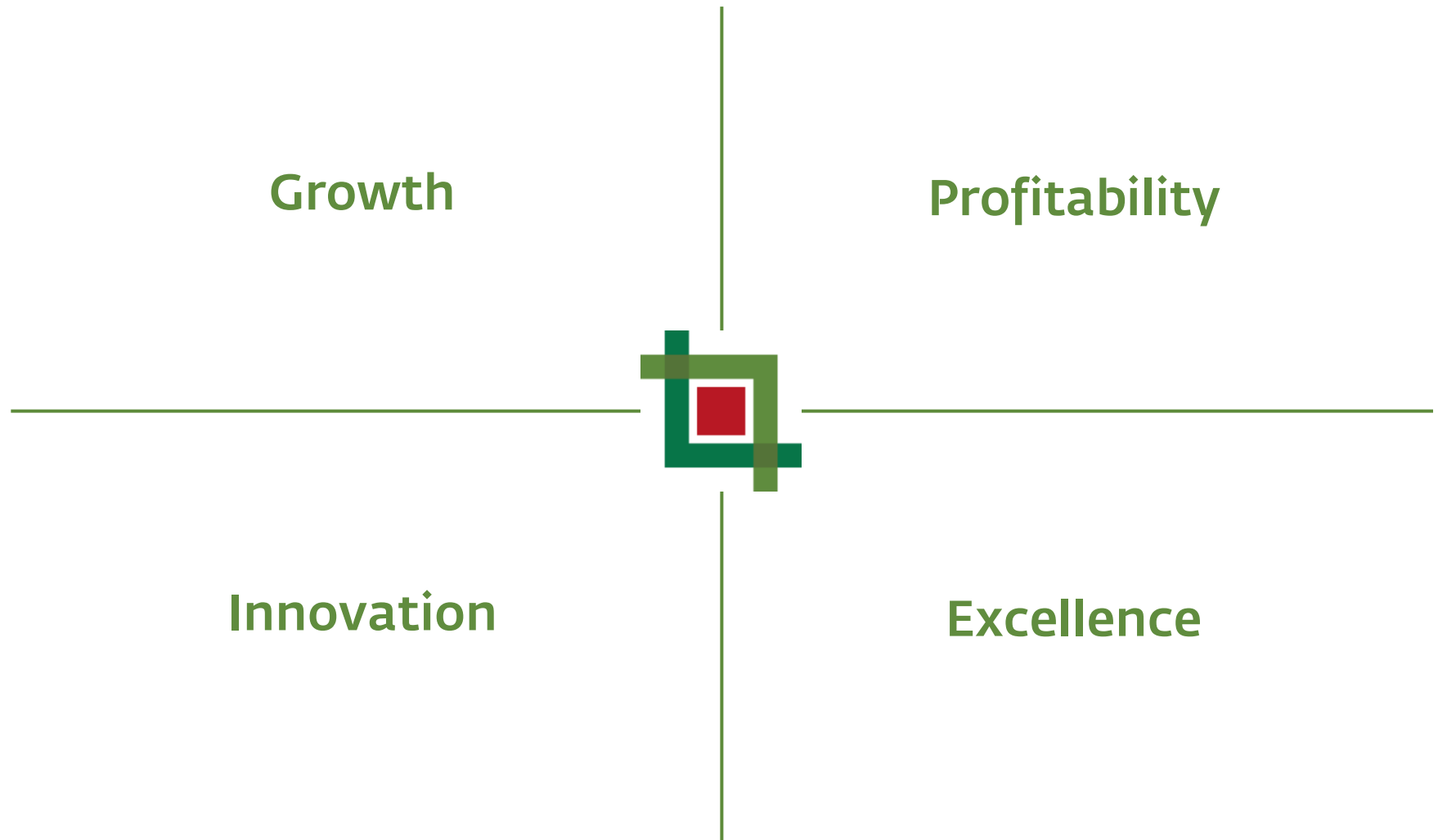
**CHF 45.3 billion**  
(-0.6 %)

Loans to clients

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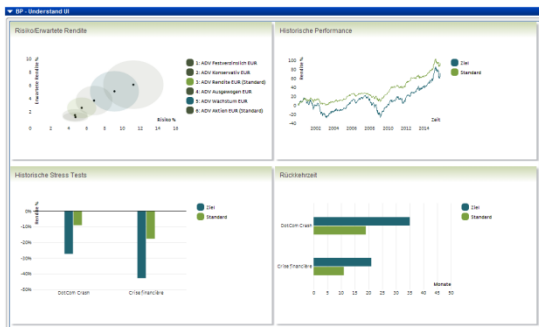
**CHF 11.0 billion**  
(+0.3 %)

# StepUp2020 – the four core elements



# LLB Invest uses the latest technology and offers a new client experience

## Visualisation



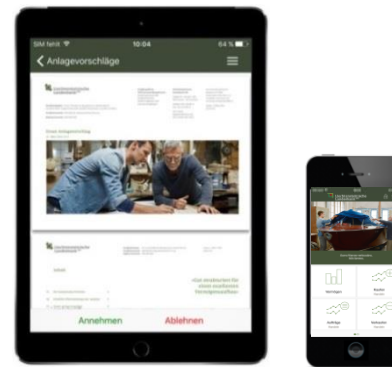
## Individualisation



## New client experience

<b>Überwachung III</b>	<b>Klumpenrisiko</b>	<b>Emittentenkonzentration</b>	
X ! ✓	X ! ✓	X ! ✓	
Volatilität Ist	Position	Position	Anlage-vorschlag
Volatilität Anlagev	2 ½ % Barclays Ban	keine	
Volatilitäts-Bandbr	N Akt Georg Fische		

## Systematisation



## Digitalisation

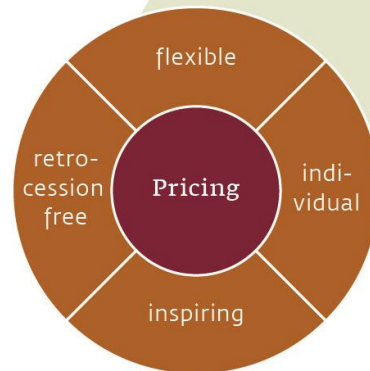
# LLB Xpert Solutions – new services for intermediaries

Support in daily business

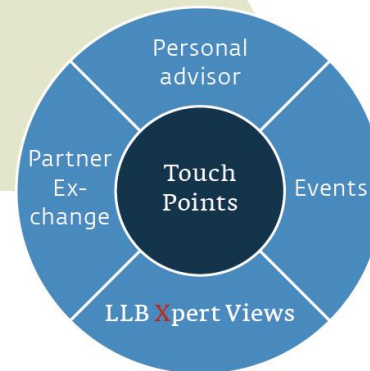


LLB Xpert Solutions

Customised pricing

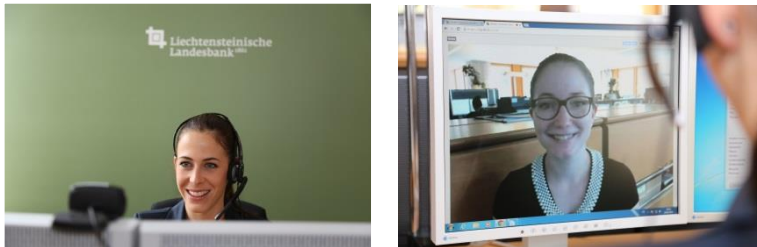


Close-to-client communication



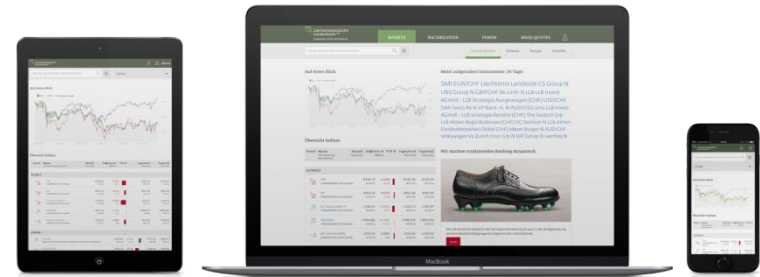
# Further success with digitalisation strategy

## Video identification



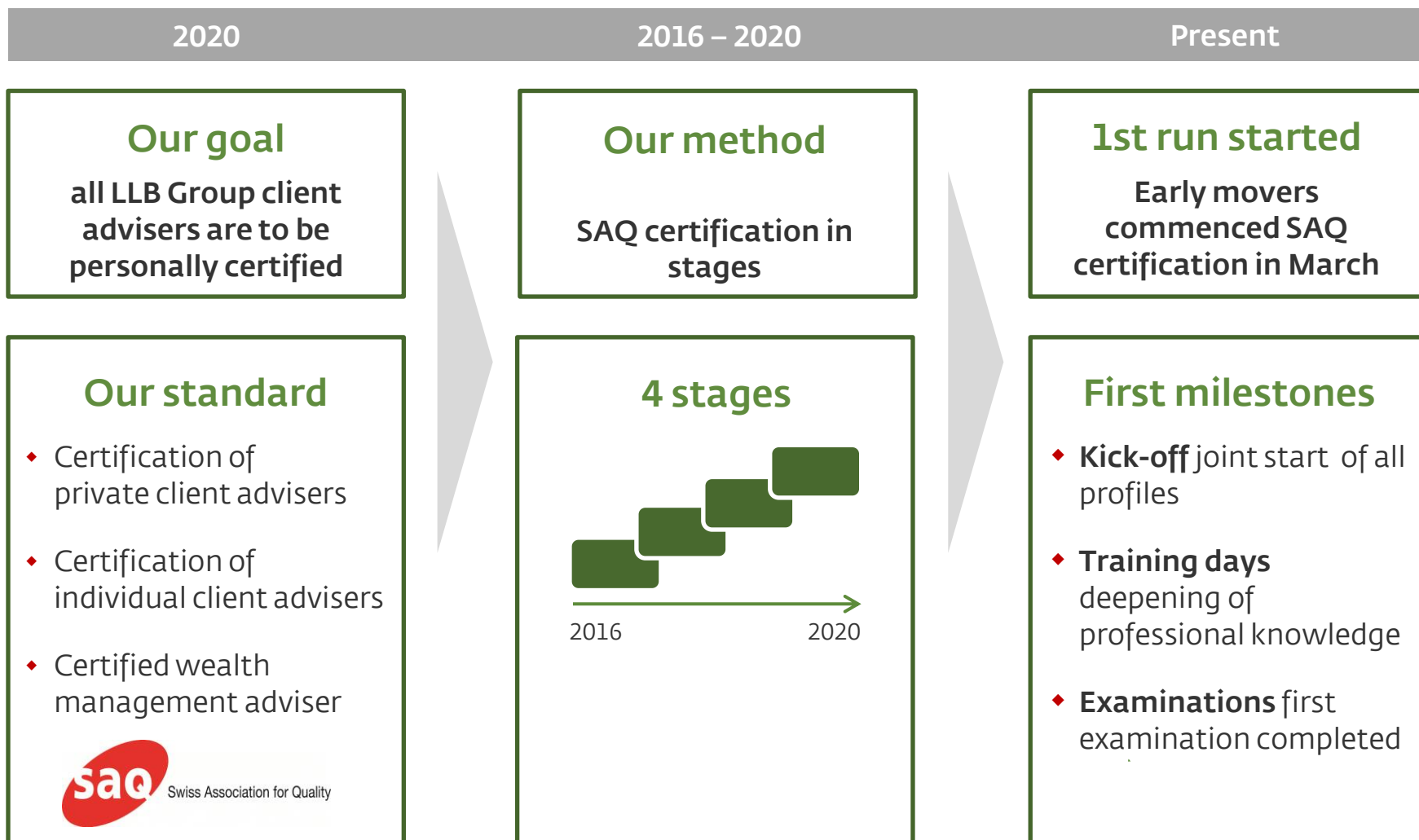
- ♦ LLB Group is the first bank in Liechtenstein to introduce video identification
- ♦ Fast and convenient online account opening
- ♦ Positive customer response

## LLB Quotes



- ♦ Detailed market data, latest market overviews, thorough background information
- ♦ Currency calculator, favourites, limits minder
- ♦ Independent of device or operating system (responsive design)

# Introducing a seal of quality for excellent client advice – SAQ certification



# Excellent Moody's rating

Deposit rating:

**Aa2**

Issuer rating:

**Aa3**

Outlook:

**Stable**

High degree of security and stability

Premier league of banks in FL / CH

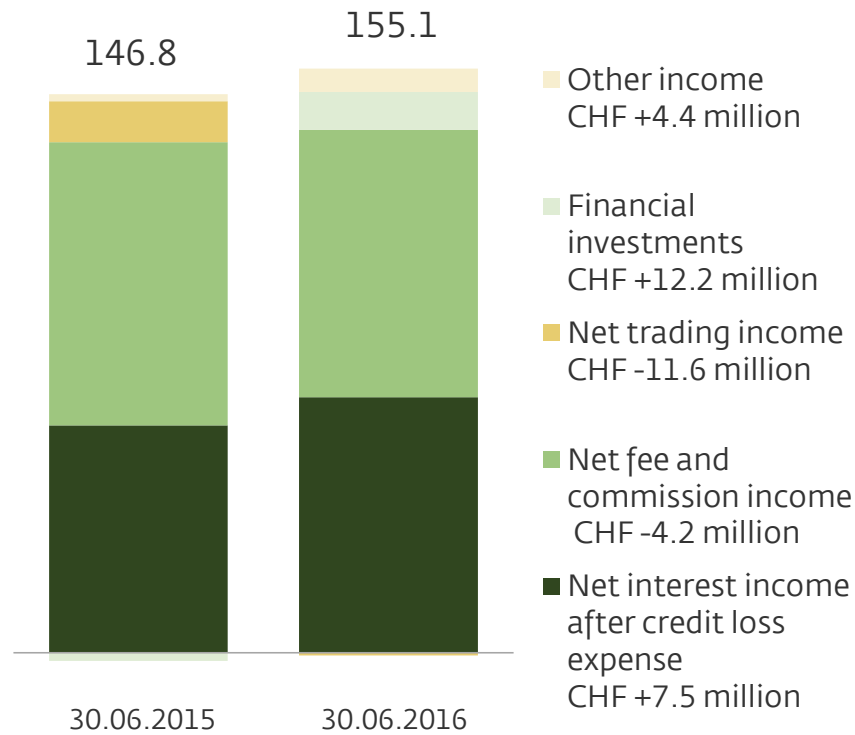
Well above European average

# Financial result

# Robust result in challenging environment

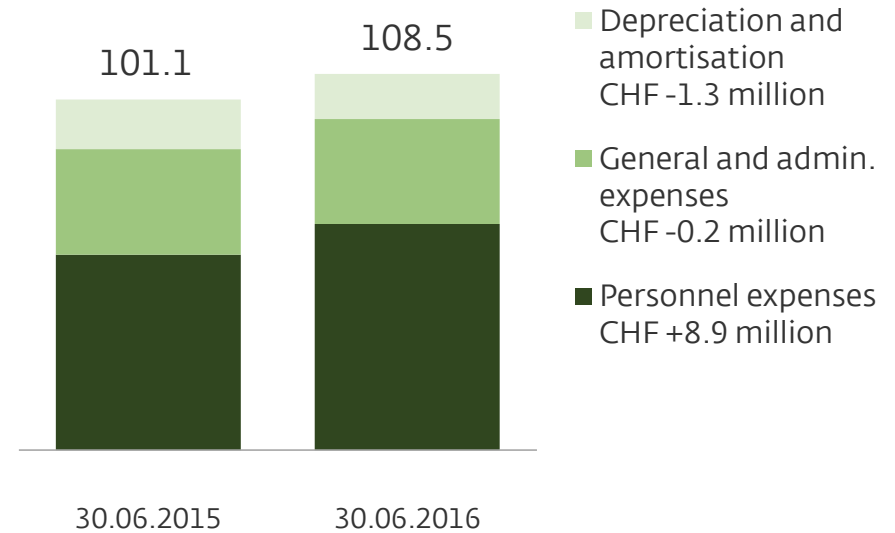
## Operating income (in CHF millions)

↑ +8.3 million (+5.6 %)



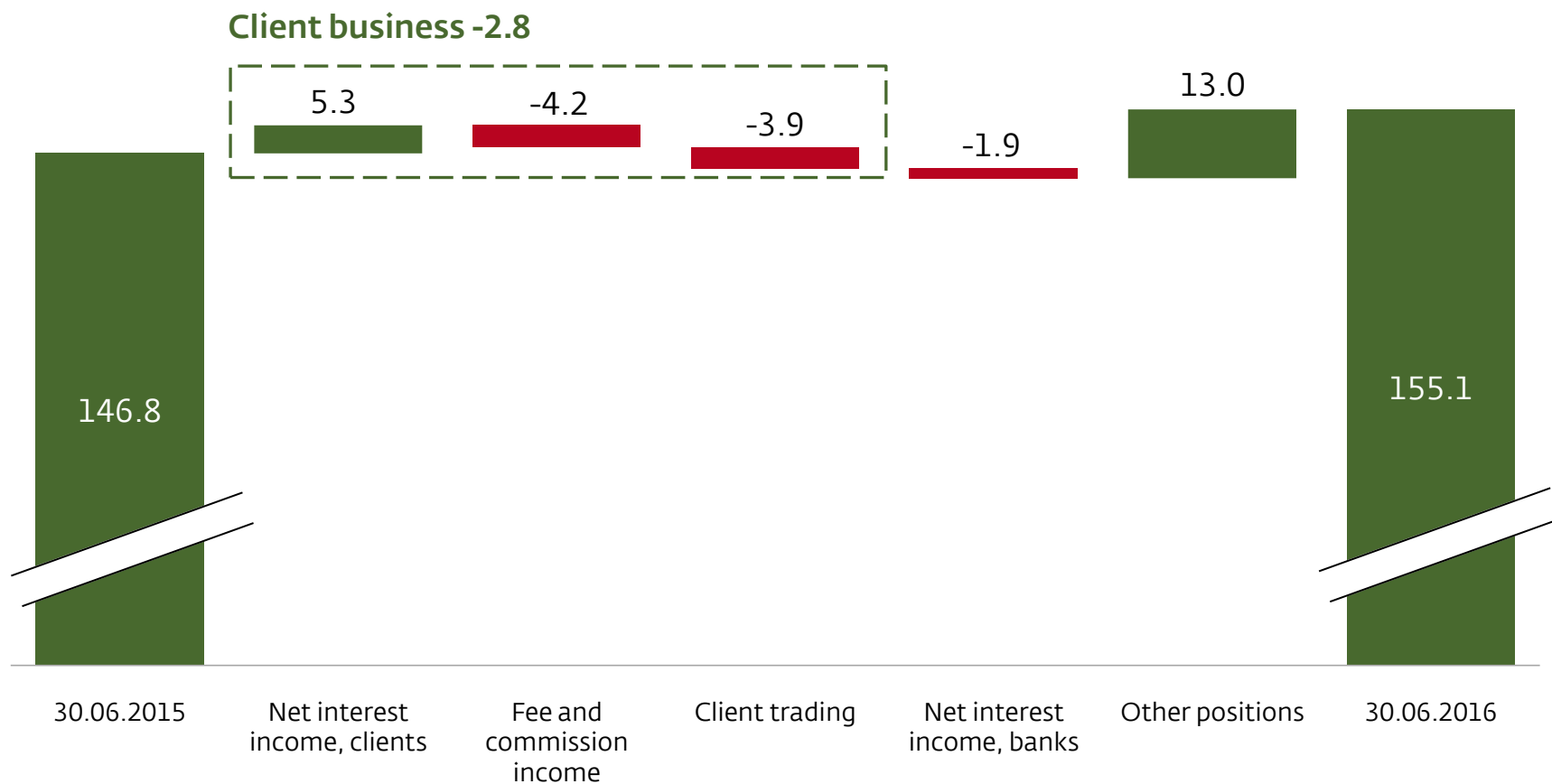
## Operating expenses (in CHF millions)

↑ +7.4 million (+7.3 %)



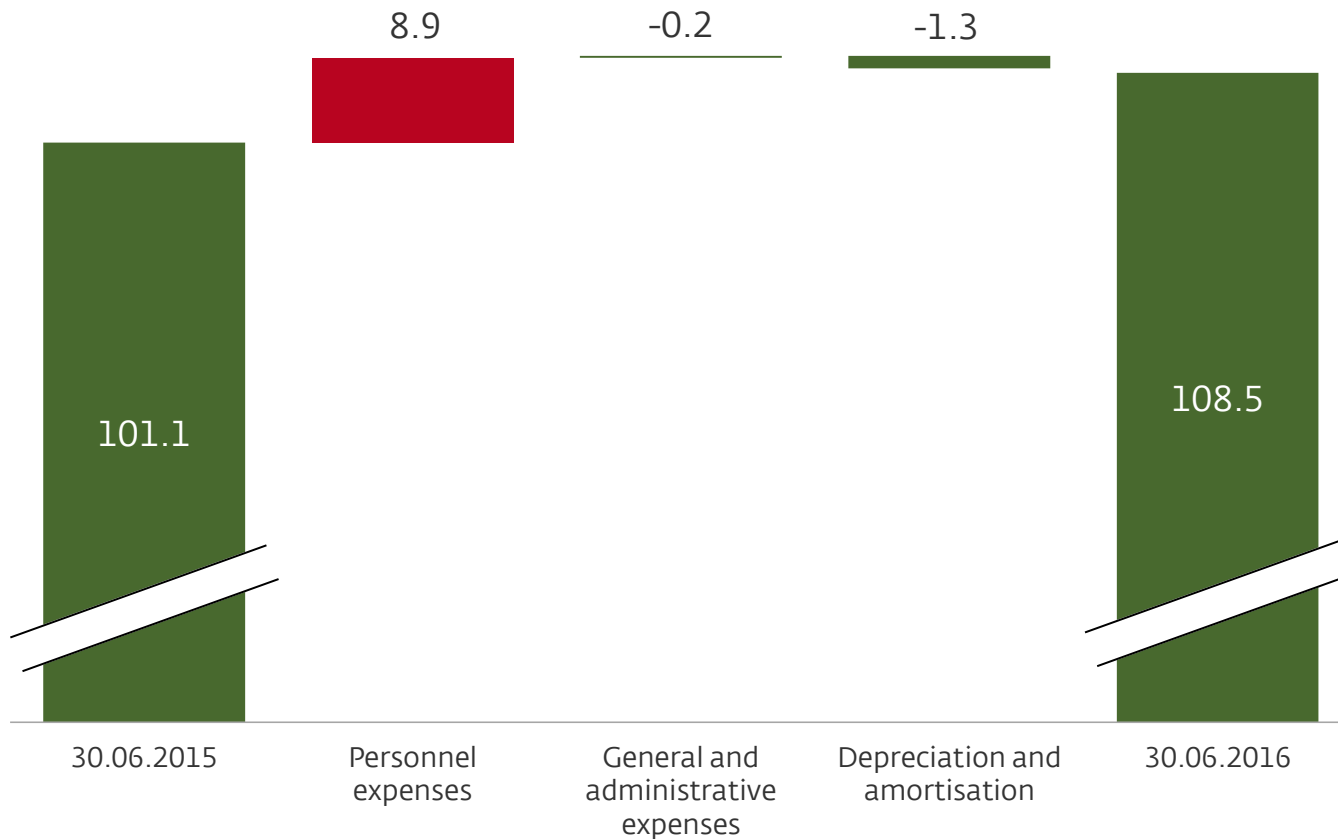
# Stable client business

## Operating income (in CHF millions)



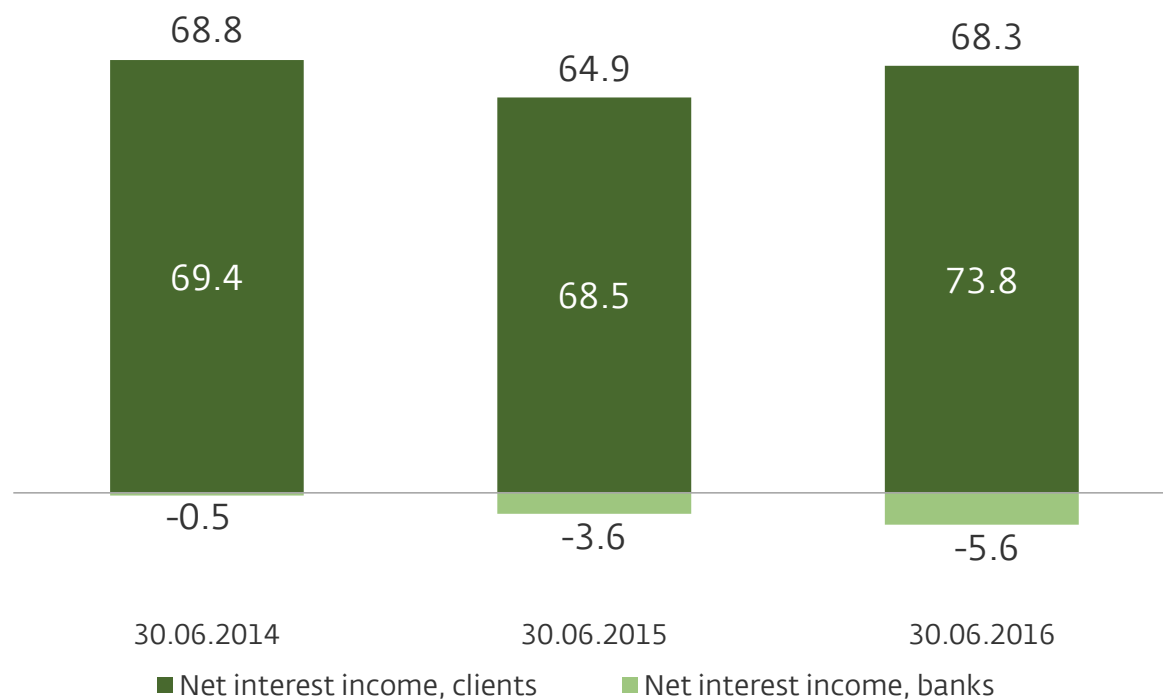
# Strategic personnel expansion

## Operating expenses (in CHF millions)



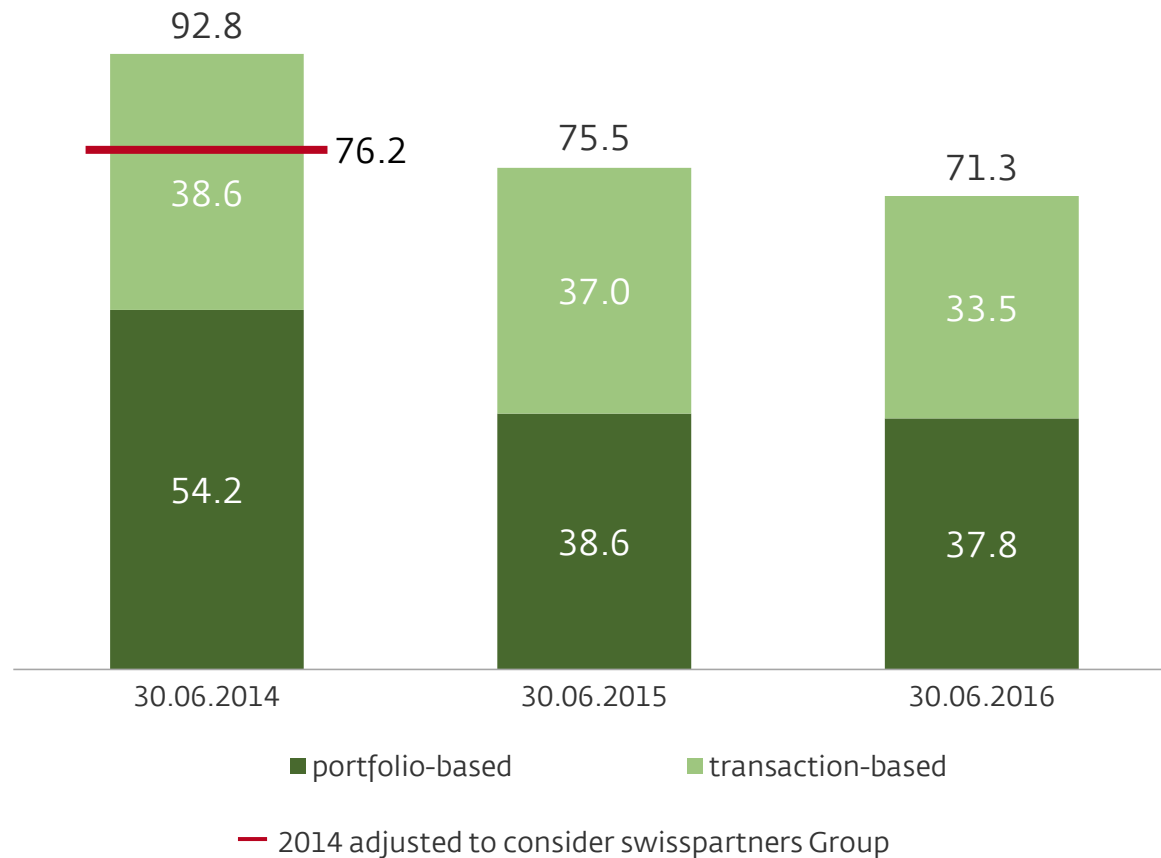
# Strong client interest business

## Net interest income, before credit loss expense (in CHF millions)



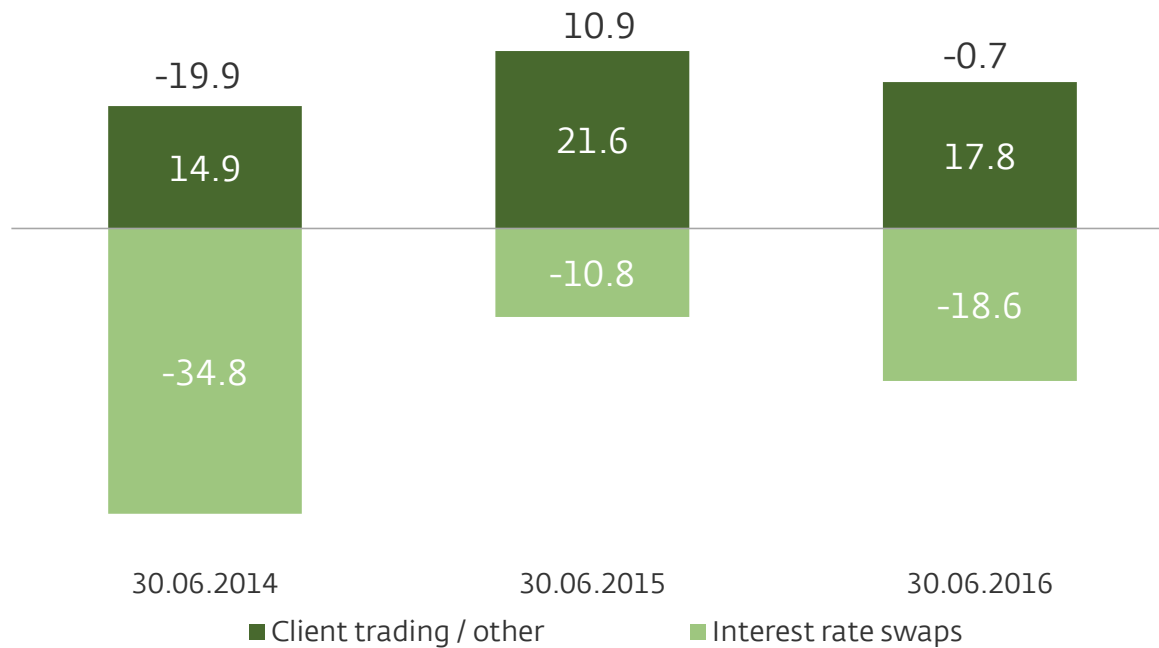
# Client uncertainty subdues transaction volumes

## Net fee and commission income (in CHF millions)



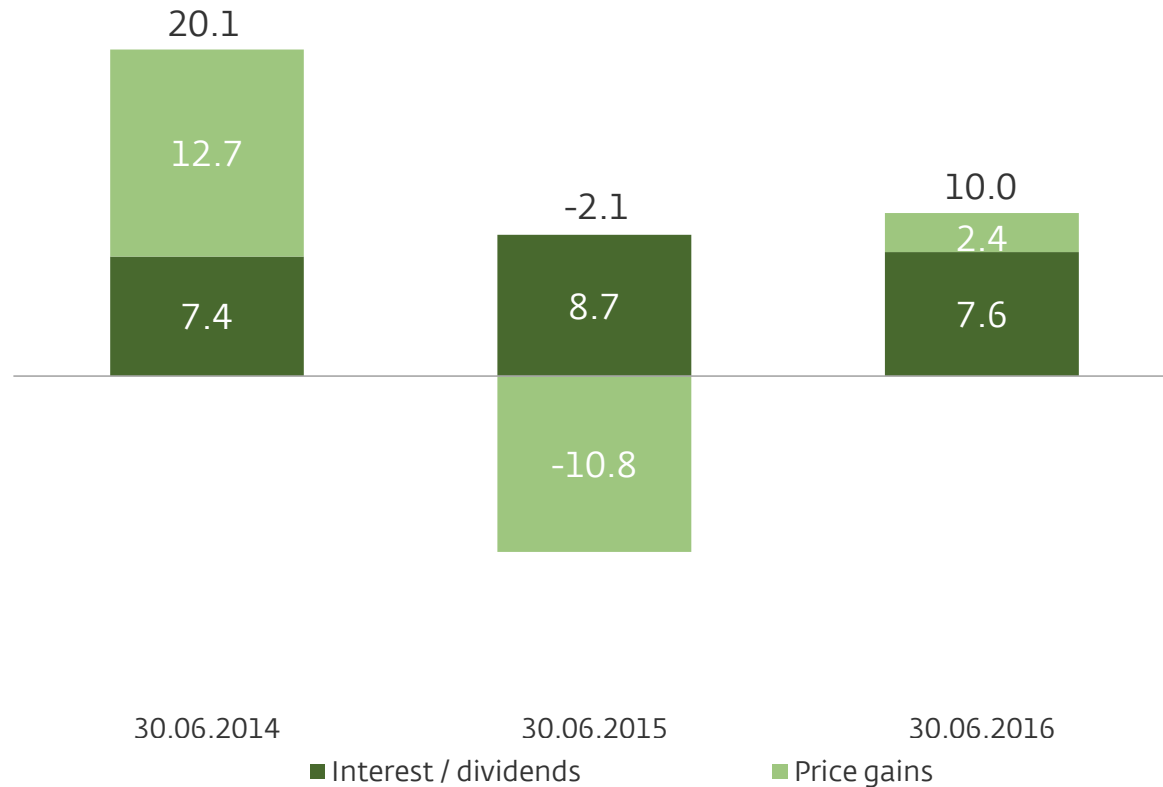
# Upturn in client trading in multi-year comparison

## Net trading income (in CHF millions)



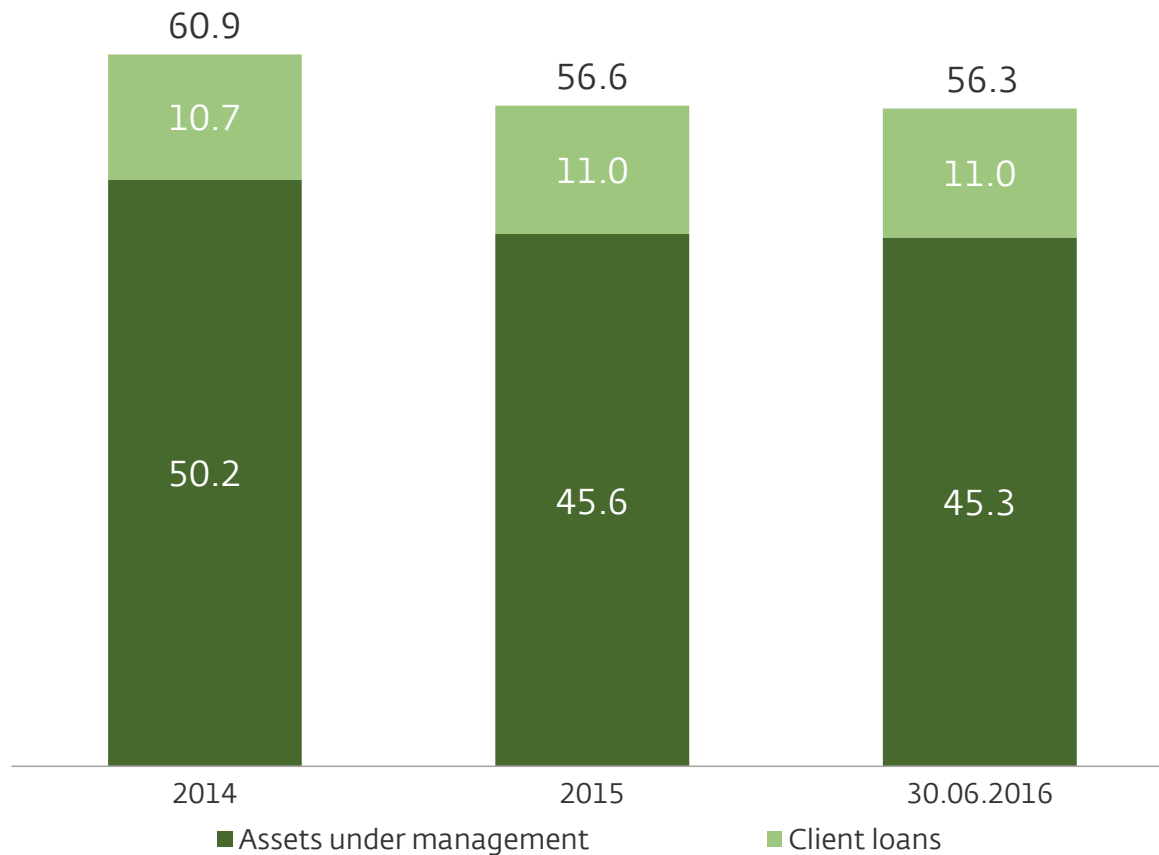
# Price gains above previous year

## Income from financial investments (in CHF millions)



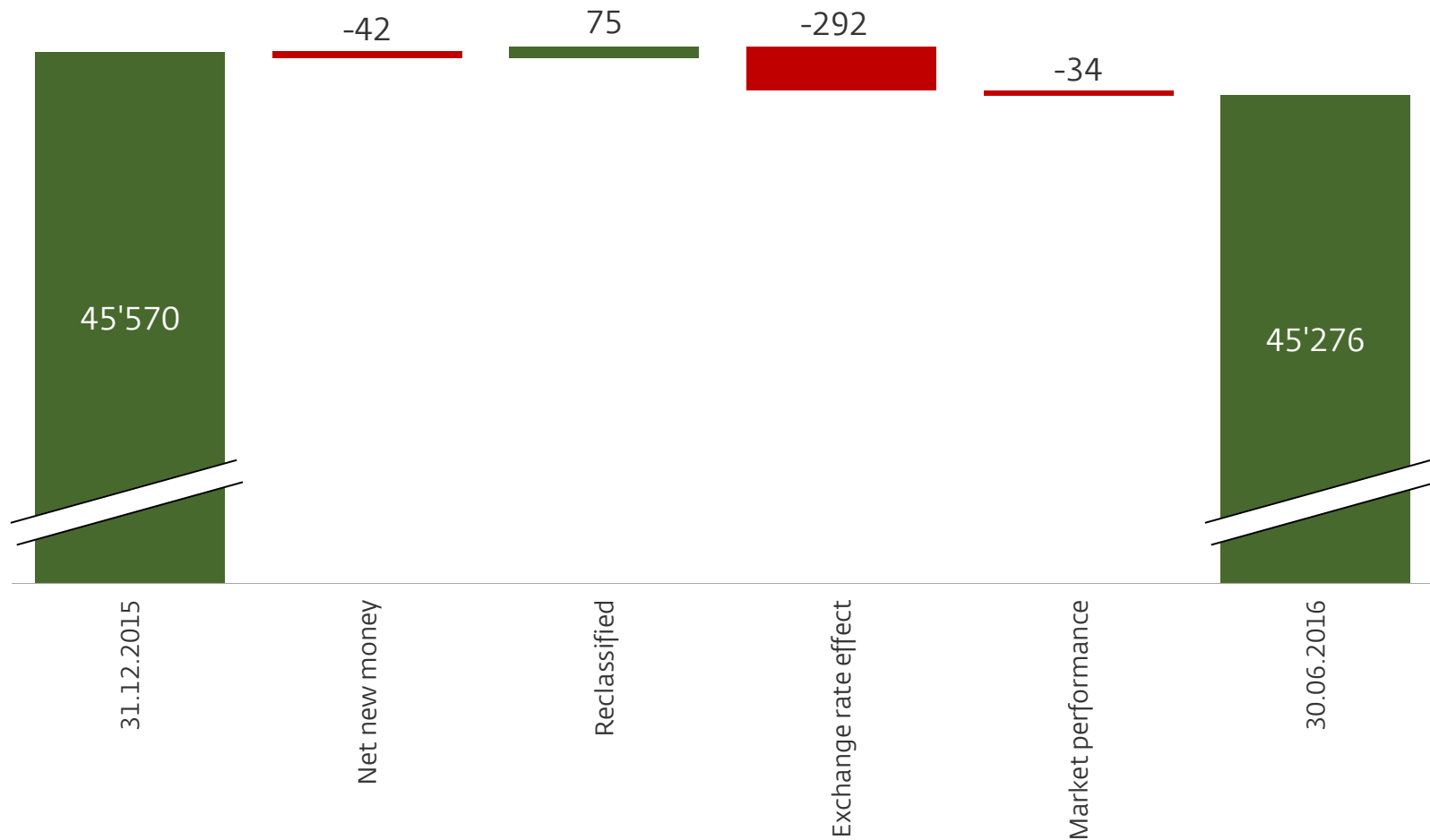
# Business volumes stable at CHF 56 billion

## Business volumes (in CHF billions)



# New money inflows in domestic and growth markets

## Development of assets under management (in CHF millions)



# Three market divisions with strong results

	Retail & Corporate Banking	Private Banking	Institutional Clients
<b>Profit before taxes</b> (in CHF millions)	21.6	13.8	22.2
<b>Business volumes</b> (in CHF billions)	17.7	14.1	24.6
<b>Net new money</b> (in CHF millions)	+256	-16	-277
<b>Growth of client loans</b> (in CHF millions)	+92	+80	-124
<b>Gross margin</b> (in bps)	71	62	31

# Solid balance sheet – Moody's rating underlines security of the LLB Group

in CHF billions	30.06.2016	31.12.2015	31.12.2014
<b>Balance sheet total</b>	19.6	19.7	20.8
<b>Risk-weighted assets</b>	7.5	7.6	8.4
<b>Common equity Tier 1 (CET1)</b>	1.5	1.6	1.5
<b>CET1 ratio (in %)</b>	20.3	20.6	18.3
<b>Moody's deposit rating</b>	Aa2	-	-

# Conclusion

1

## Improved result

- ◆ Improved result in a challenging business environment
- ◆ Focused business model

2

## Targeted growth

- ◆ New money inflows in domestic and growth markets
- ◆ Risk-sensitive growth in mortgage business

3

## Stability and security

- ◆ CET1 ratio of 20.3 percent
- ◆ Moody's deposit rating Aa2
- ◆ Leeway for growth ambitions

# Outlook

# Georg Wohlwend nominated als Chairman of the Board of Directors



Born in 1963  
Business economist

Member of the Management  
Board of a Liechtenstein bank  
(1998 – 2012)

Member of the Board of  
Directors:  
Neutrik AG, Schaan (since 2012)  
Alegra Capital AG, Vaduz (since  
2013)

# StepUp2020: key points in second half year 2016



Retail product packages: LLB Kombi



Financial planning 2.0: LLB Kompass



Mobile banking



Lean management

# Questions

# Contact and financial calendar

## Contact

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## Financial calendar

**Presentation of 2016 business result**

Thursday, 9 March 2017

**25th Annual General Meeting of Shareholders**

Friday, 12 May 2017

**Presentation of 2017 interim financial reporting**

Thursday, 24 August 2017

## Disclaimer

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Thank you!



Liechtensteinische  
Landesbank<sup>1861</sup>

Tradition meets Innovation.