



Liechtensteinische  
Landesbank<sup>1861</sup>

Tradition meets Innovation.

24 August 2017

Conference Call of the LLB Group

# Interim Financial Reporting 2017

# Agenda

---

**Introduction**

Georg Wohlwend, Chairman BoD

---

**Financial result**

Christoph Reich, Group CFO

---

**Strategy & outlook**

Roland Matt, Group CEO

---

**Questions**

---

# StepUp2020 strategy and financial objectives confirmed

## Challenges

- ◆ Low interest rates
- ◆ Regulation
- ◆ New competitors
- ◆ Digitalisation
- ◆ Geopolitical uncertainties



## Step<sup>UP</sup> 2020

Growth

Profitability

Innovation

Excellence

Business volume > CHF 70 bn

Cost-Income-Ratio < 65 %

Cum. result 2016 – 2020 > CHF 500 m

Tier 1 ratio > 14 %

# Financial result

# Improvement in all indicators

## Tier 1 ratio


---

**21.4 %**  
(+0.4 pp)

## Cost-Income-Ratio

---

**62.8 %**  
(-7.0 pp)



Group net profit  
**CHF 60.0**  
million  
(+39.4 %)

## Assets under management

---

**CHF 48.2 billion**  
(+3.8 %)

## Loans

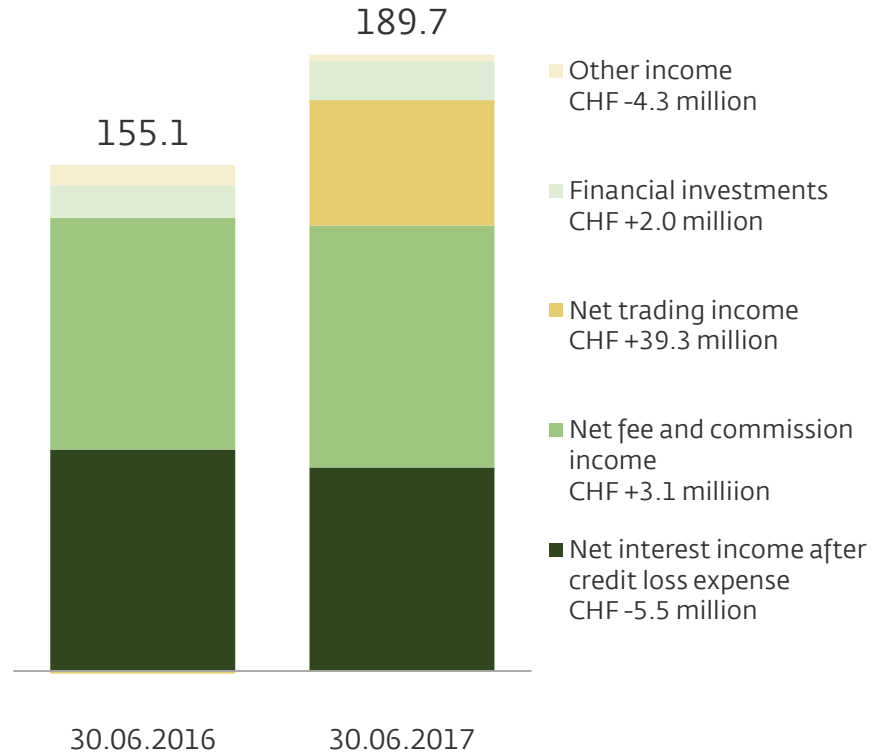
---

**CHF 11.7 billion**  
(+1.3 %)

# Increased profitability

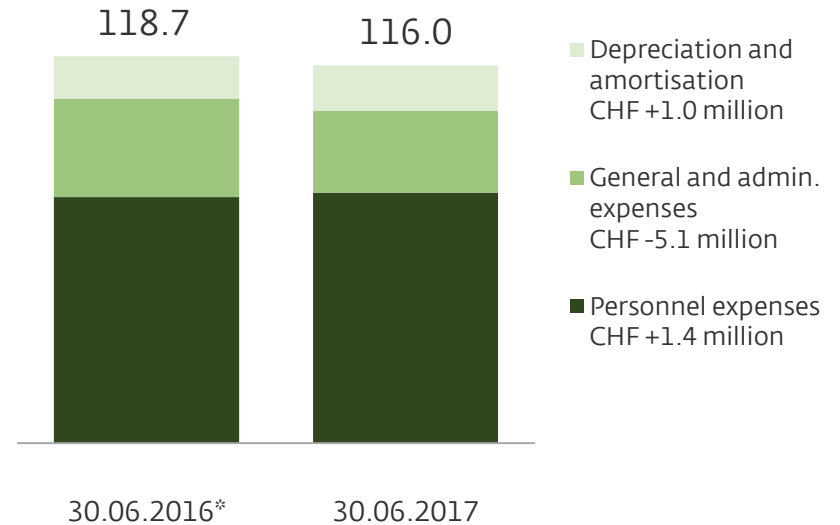
## Operating income (in CHF millions)

↑ +34.6 million (+22 %)



## Operating expenses (in CHF millions)

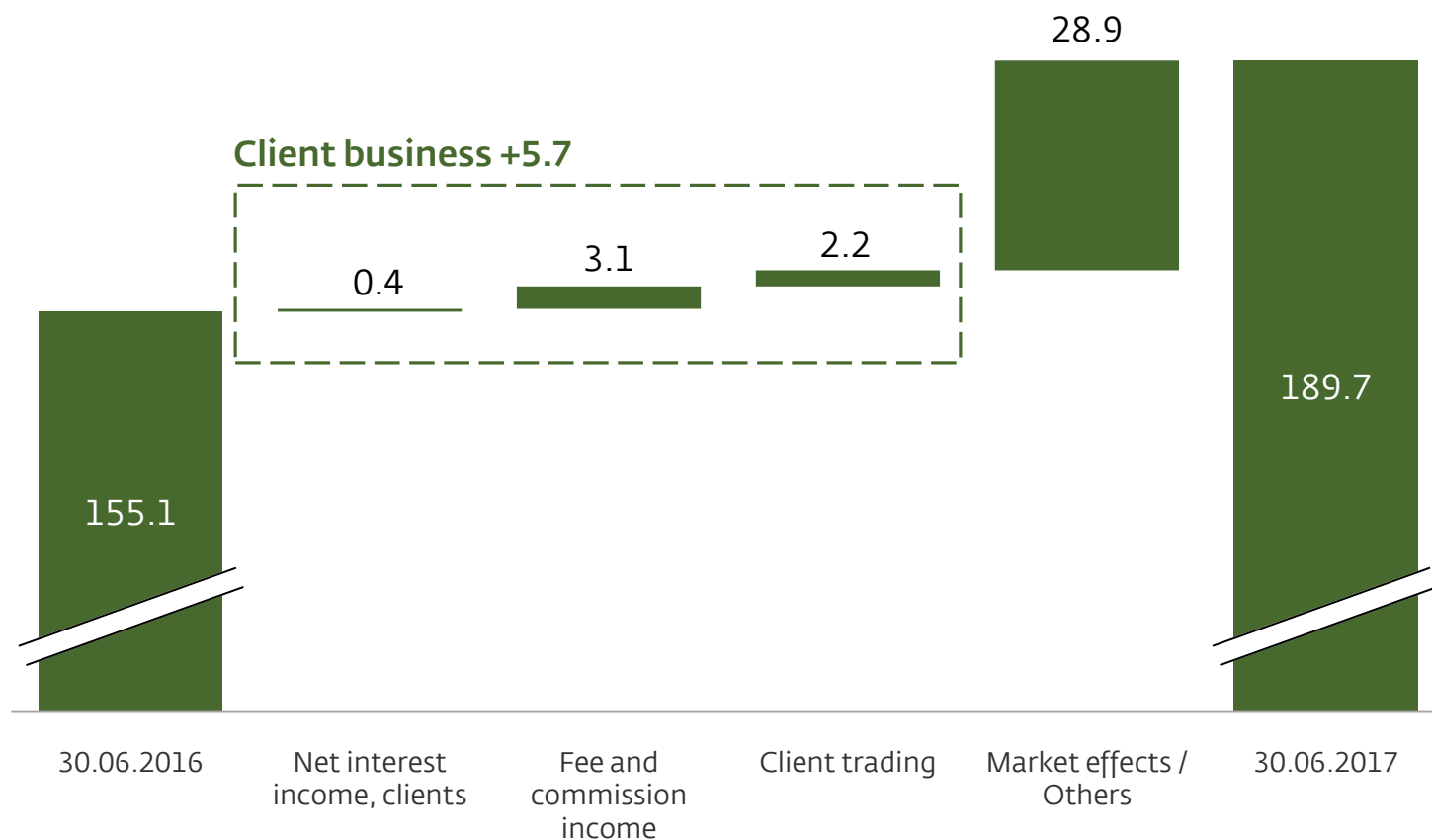
➡ stable



\* adjusted for one-off reduction in expenses for pension liabilities of CHF 10.2 million

# Earning power in client business strengthened

## Operating income (in CHF millions)



# Stable operating expenses

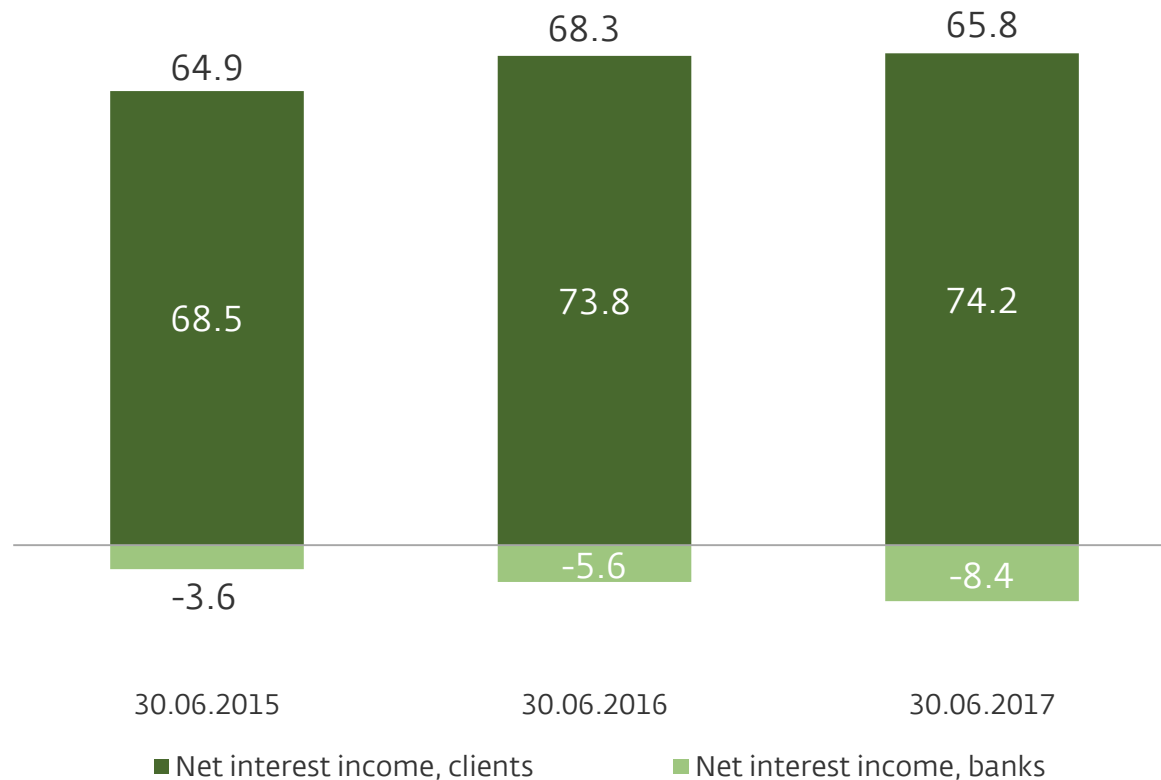
## Operating expenses (in CHF millions)



\* adjusted for one-off reduction in expenses for pension liabilities of CHF 10.2 million

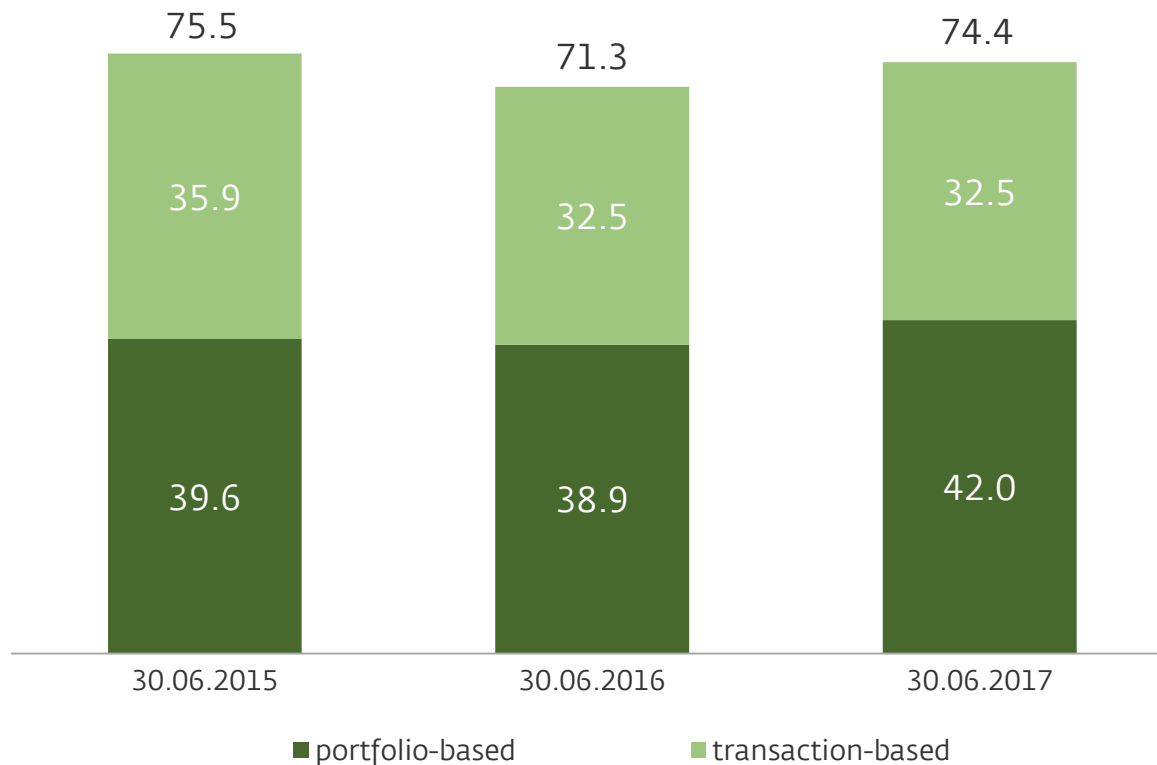
# Robust interest business with clients

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



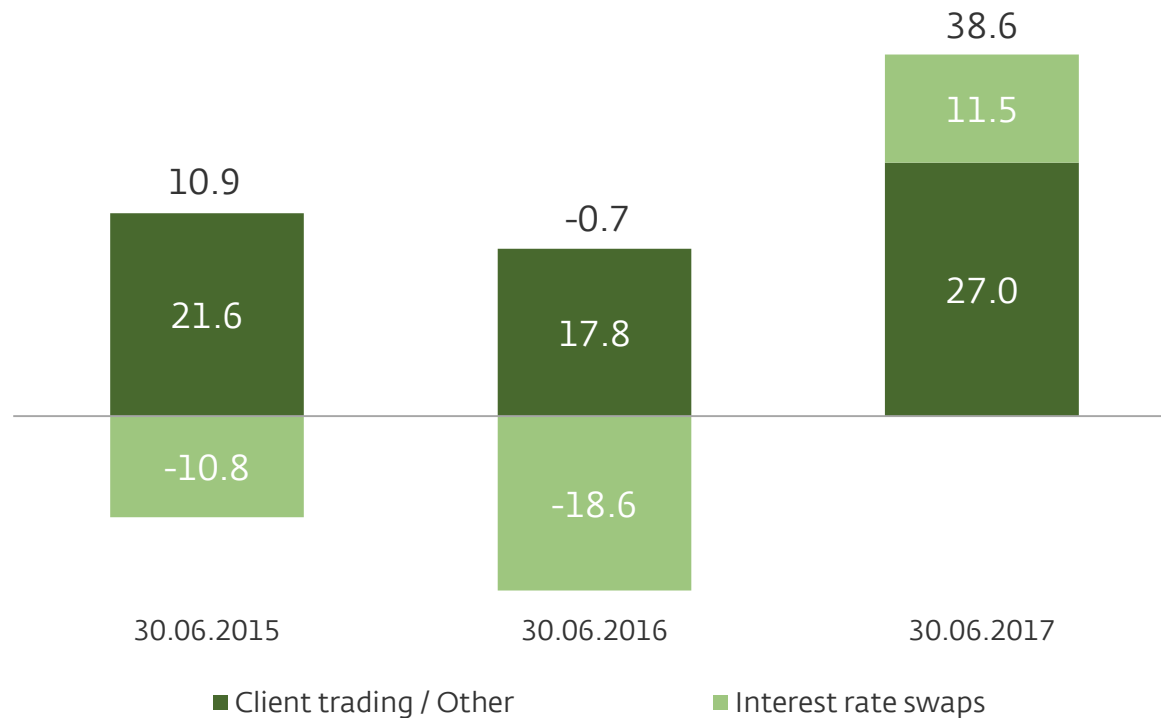
# Successful positioning in investment business

## Fee and commission income (in CHF millions)



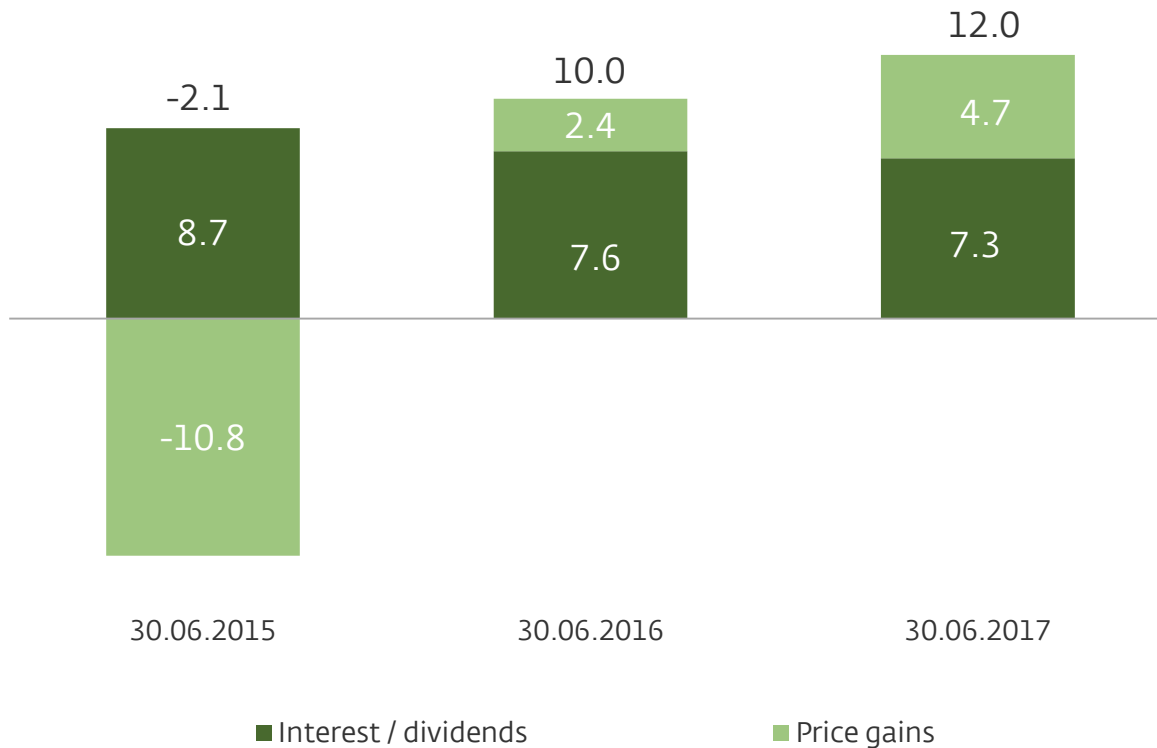
# Intensified activity in client trading

## Net trading income (in CHF millions)



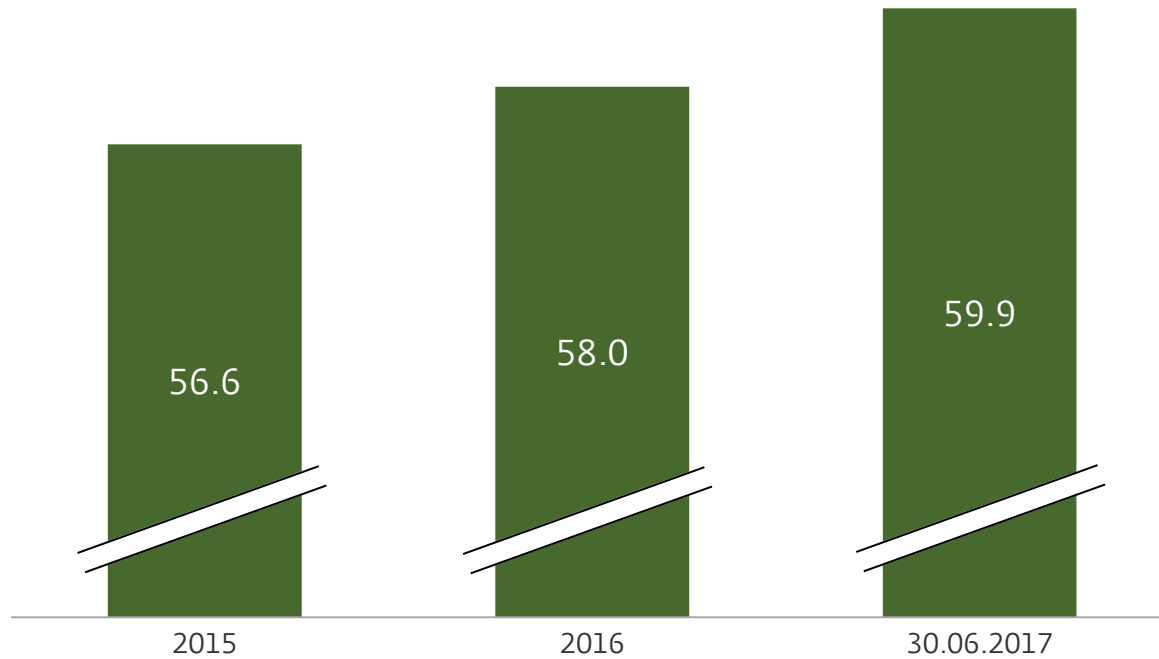
# Price gains over previous year

## Income from financial investments (in CHF millions)



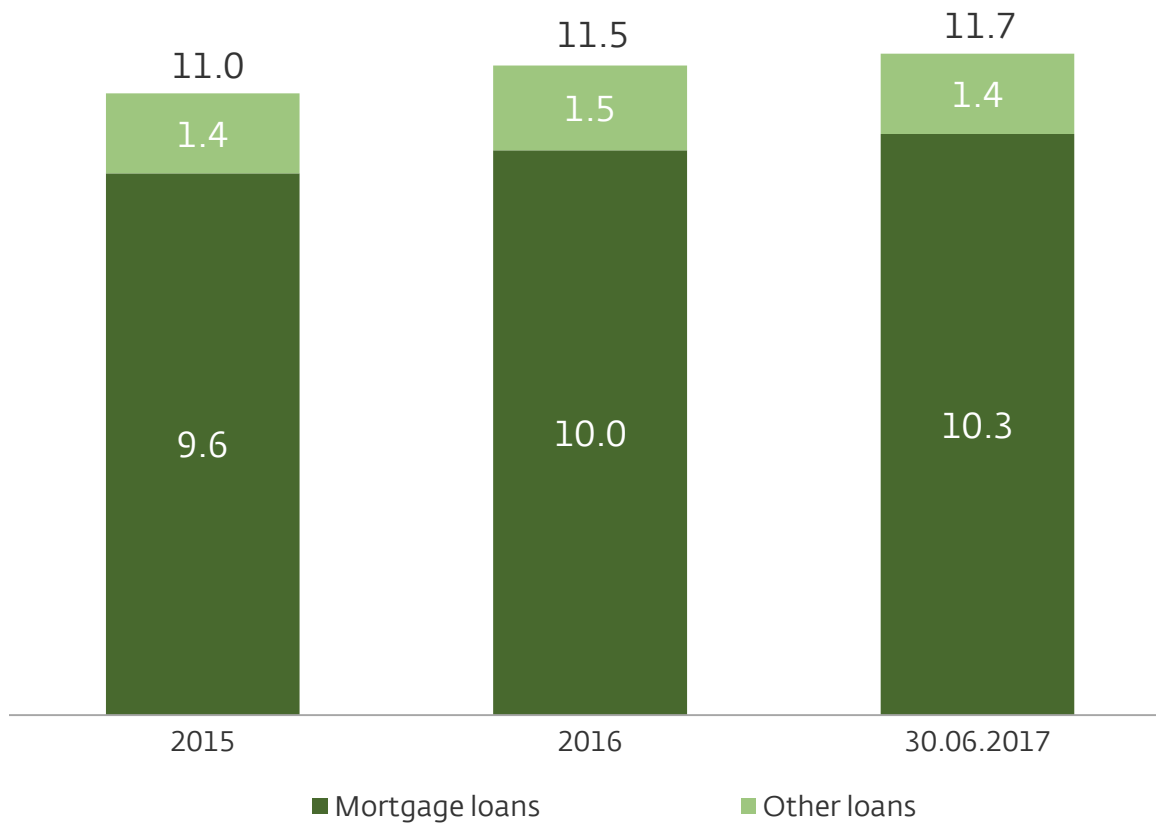
# Business volume reaches CHF 60 billion

**Business volume** (assets under management and loans in CHF billions)



# Growth of mortgage loans above the market

Loans (in CHF billions)



# Turnaround with net new money

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



# Three market divisions with strong results

	Retail & Corporate Banking	Private Banking	Institutional Clients
<b>Business volumes</b> (in CHF billions)	18.4	15.1	26.5
<b>Net new money</b> (in CHF millions)	-97	+130	+698
<b>Growth of loans</b> (in CHF millions)	+340	+37	-179
<b>Gross margin</b> (in bps)	70	69	31
<b>Profit before taxes</b> (in CHF millions)	19.9	20.9	23.1

# Moody's Aa2 rating confirms financial strength of the LLB

in CHF billions	31.12.2015	31.12.2016	30.06.2017
<b>Balance sheet total</b>	19.7	20.0	20.5
<b>Risk-weighted assets</b>	7.6	7.6	7.5
<b>Common equity Tier 1 (CET1) capital</b>	1.6	1.6	1.6
<b>Tier 1 ratio / CET1 ratio (in %)</b>	20.6	21.0	21.4
<b>LCR - liquidity coverage ratio (in %)</b>	-	115	132
<b>Leverage ratio (in %)</b>	-	7.8	7.7
<b>Moody's deposit rating</b>	-	Aa2	Aa2

# Conclusion

1

## Accelerated growth

- ◆ Turnaround with new money
- ◆ Mortgage growth above market level
- ◆ Business volume of CHF 60 billion

2

## Improved profitability

- ◆ Substantial improvement in client business
- ◆ Tailwind due to interest rate markets
- ◆ Stable operating expenses

3

## Stability and security

- ◆ Moody's deposit rating Aa2
- ◆ CET 1 ratio of 21.4 percent
- ◆ Leeway for growth ambitions

# Strategy & outlook

## Growth on course

Business volume  
increased to  
CHF 60 billion

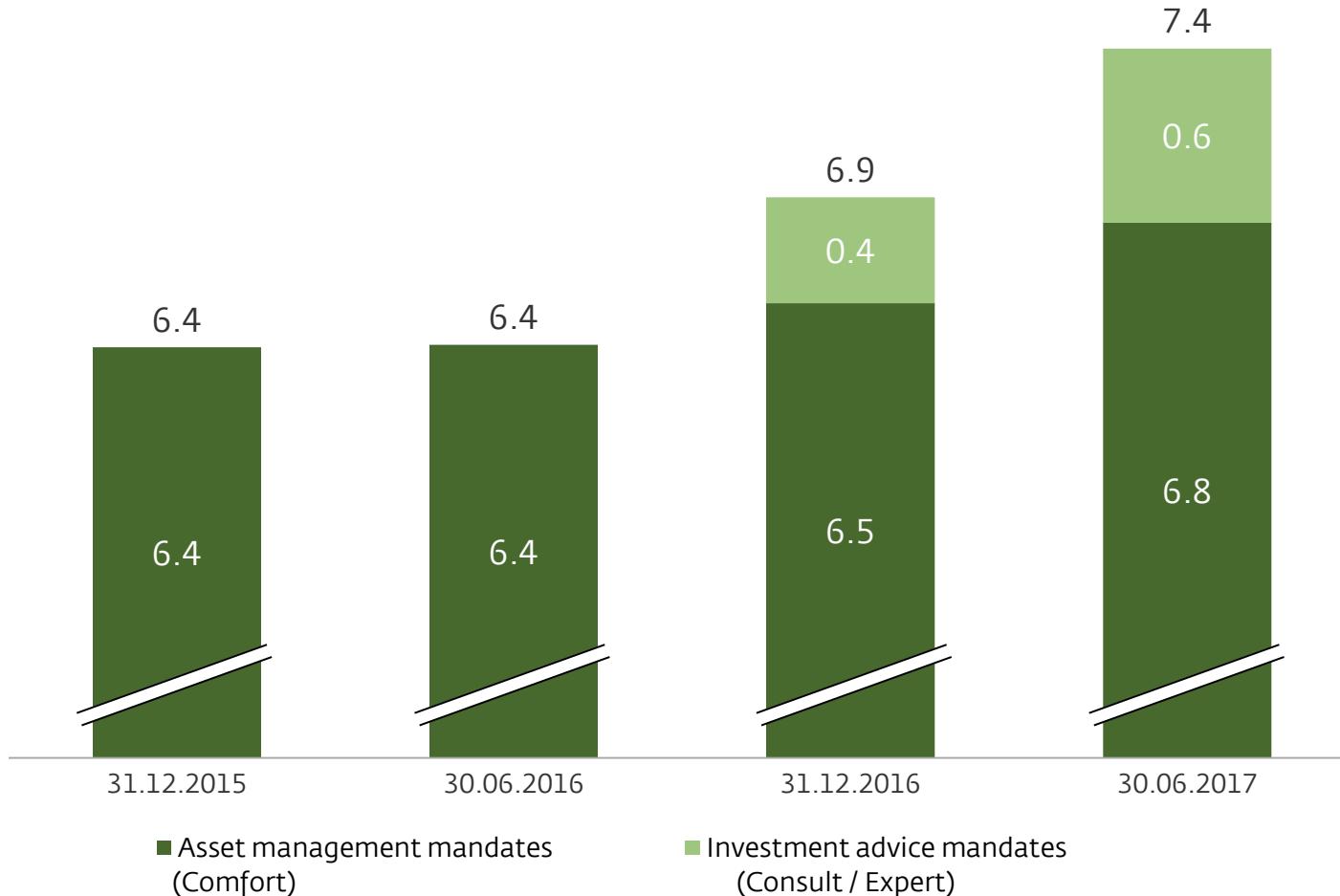
Turnaround with net  
new money inflow of  
CHF 731 million

Market share in  
mortgage lending  
business expanded

Clients' high  
level of trust

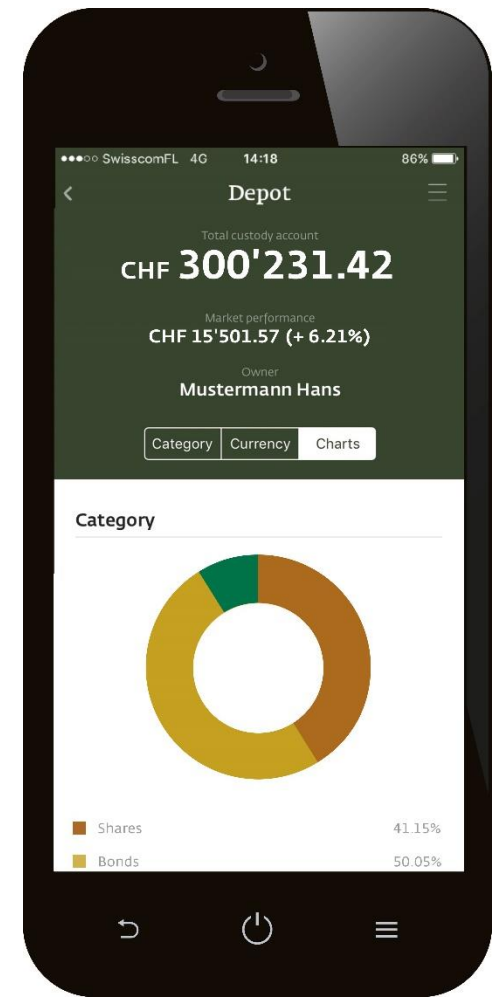
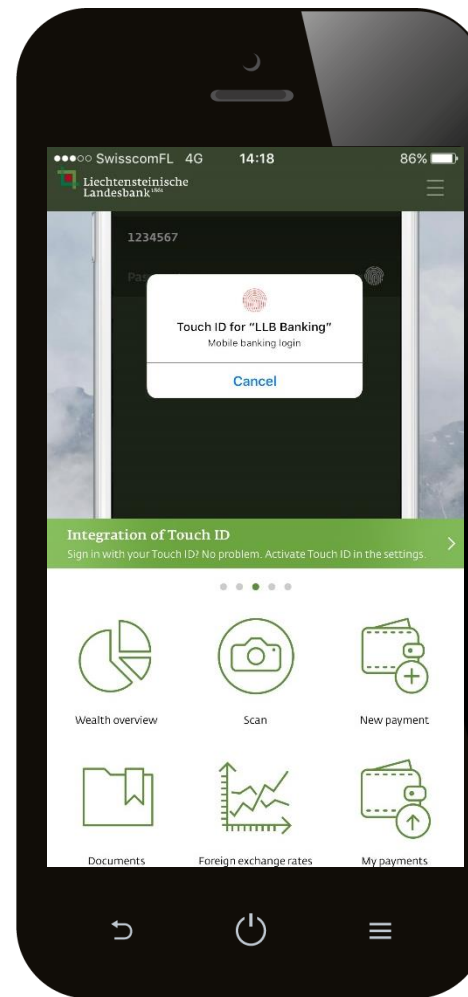
# Profitability thanks to innovative products

## LLB Invest (in CHF billions)



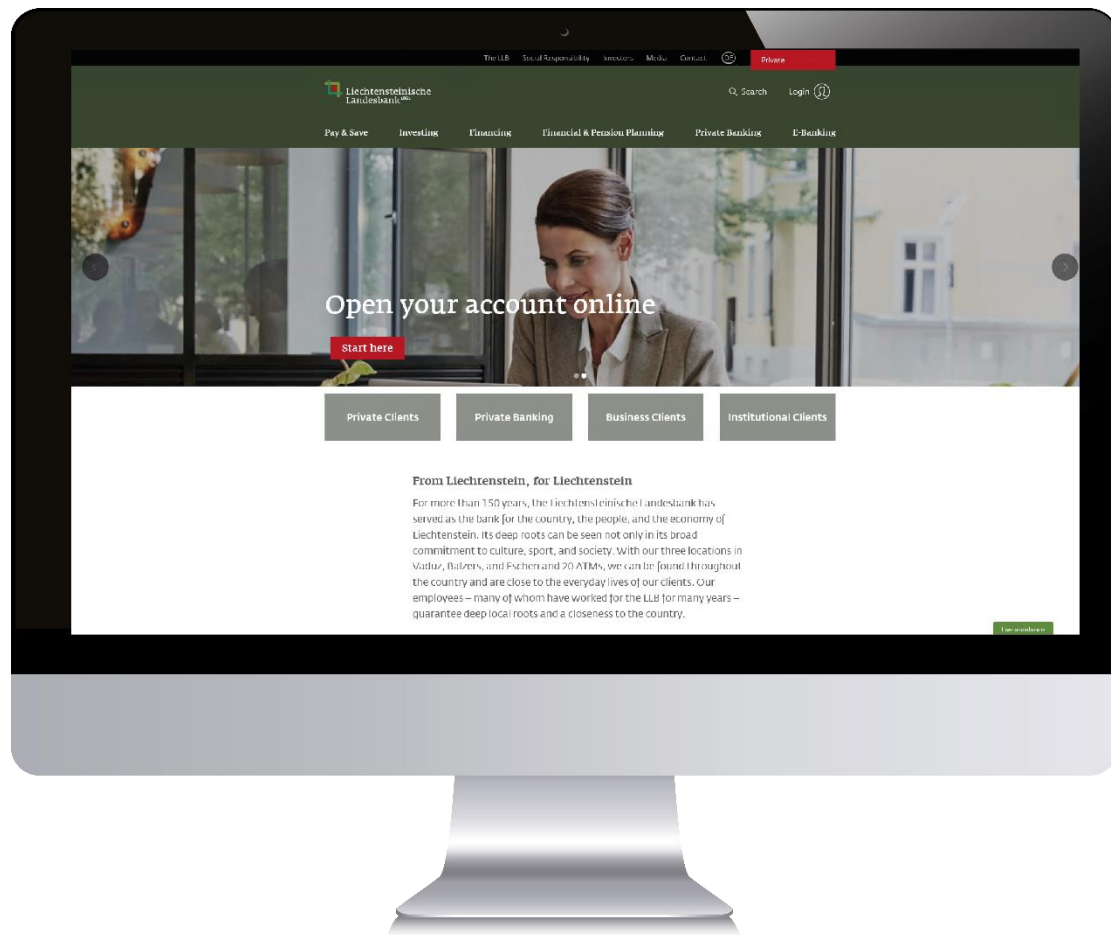
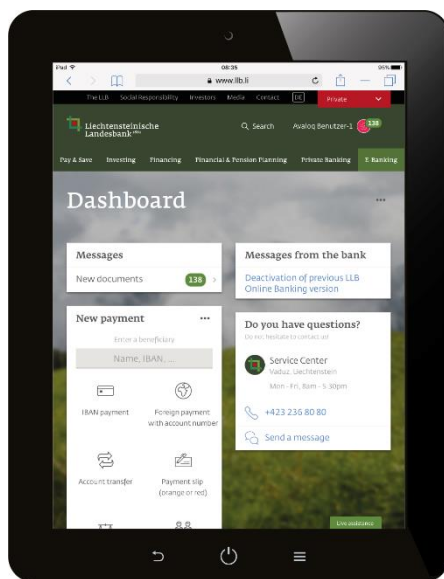
# Mobile Banking with Touch ID

- ◆ Innovative design
- ◆ Highest security standard
- ◆ Expanded scope of functions
- ◆ Price advantages for the client



# Unique web portal with Online Banking

- ◆ One-stop shop portal
- ◆ Dashboard
- ◆ Co-browsing



# Bank branch of the future



New design of Bank Linth headquarters

# Positive experience with lean management

## Client onboarding processes

First time right  
**+20 percent**



Throughput times  
**-20 percent**



## Mortgage lending processes

Standardisation  
**+30 percent**



Throughput times  
**-30 percent**



# Outlook

---

① Lean initiatives support growth strategy

---

② Implementation of regulatory provisions

---

③ Innovative products for asset management and investment advisory business

---

④ Digitalisation

---

# Questions

# Contact and financial calendar

## Contact

Liechtensteinische Landesbank AG

**Dr. Cyrill Sele**

Head Group Corporate Communications  
& General Secretary

Städtle 44

9490 Vaduz

Liechtenstein

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)

## Financial calendar

**Presentation of 2017 business result**

Thursday, 8 March 2018

**26th Annual General Meeting of Shareholders**

Wednesday, 9 May 2018

## Disclaimer

This information from Liechtensteinische Landesbank AG is provided purely for information purposes. It contains statements relating to the future, which provide no guarantee of future developments. They contain risks and uncertainties including, but not restricted to, future global economic conditions, exchange rates, legal provisions, market conditions, competitors' activities, as well as other factors, which lie outside the control of the company. The LLB accepts no responsibility for updating the statements related to the future made in this presentation.

Thank you!



Liechtensteinische  
Landesbank<sup>1861</sup>

Tradition meets Innovation.