



Liechtensteinische
Landesbank¹⁸⁶¹

Tradition meets Innovation.

14 March 2017

Media and analyst conference of the LLB Group

2016 annual result

Agenda

Introduction

Dr. Hans-Werner Gassner, Chairman

Financial result

Christoph Reich, Group CFO

Strategy & outlook

Roland Matt, Group CEO

Questions

Introduction


Focused business model and clear strategy pay off

Tier 1 ratio

21.0 %
(+0.4 pp)

Cost / income ratio

62.8 %
(-6.7 pp)



Group net profit
CHF 103.9
million
(+20.4 %)

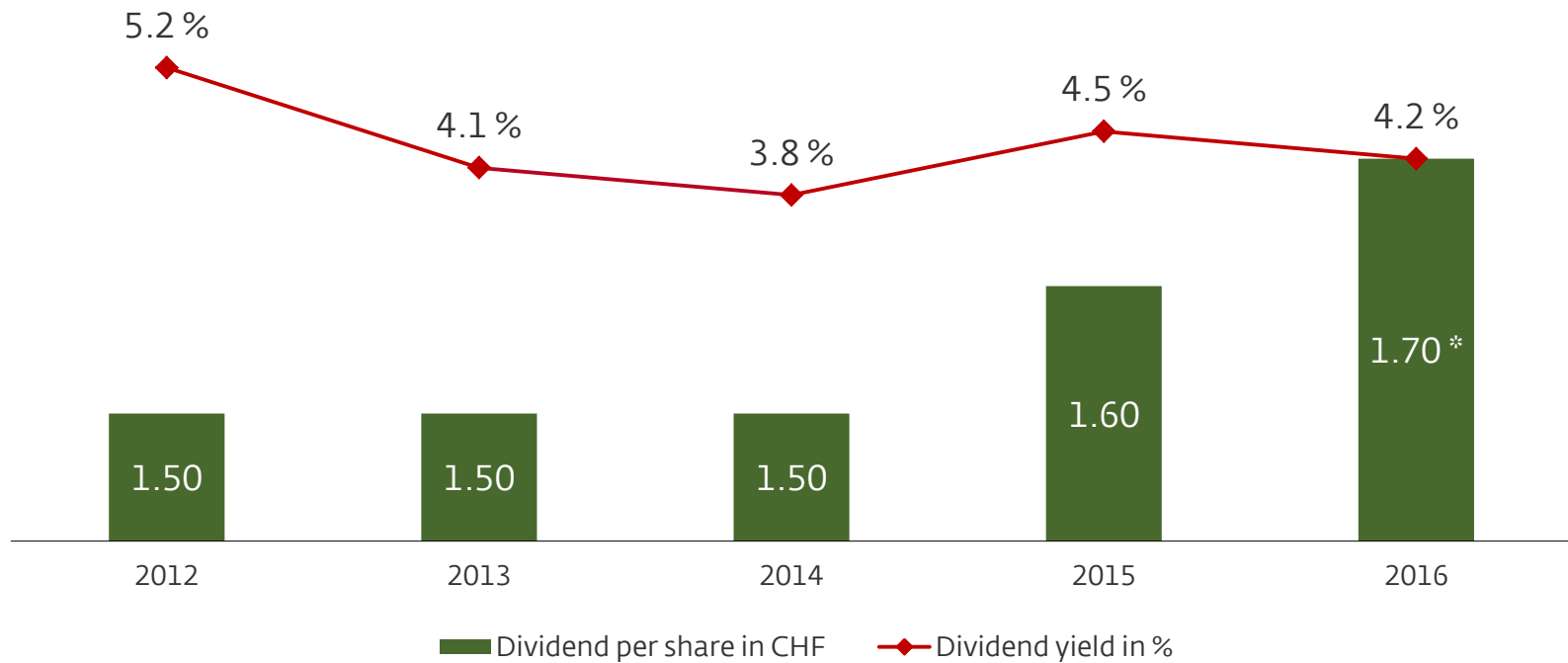
Assets under
management

CHF 46.4 billion
(+1.9 %)

Client loans

CHF 11.5 billion
(+5.0 %)

Higher dividend: CHF 1.70 per LLB share



* Proposal of the Board of Directors to the General Meeting of Shareholders on 12 May 2017

Re-election of Members of the Board of Directors



Prof. Dr. Gabriela Nagel-Jungo
Member of the Board of Directors



Urs Leinhäuser
Member of the Board of Directors

Georg Wohlwend nominated as 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)

Milestones of the last ten years



Takeover of Bank Linth –
a success story



Founding of LLB Österreich –
now an integral part of the Vienna
banking centre

Focus2015

Focus2015 strategy –
Focusing, reduction of complexity,
increase in profitability

Step^{UP}2020

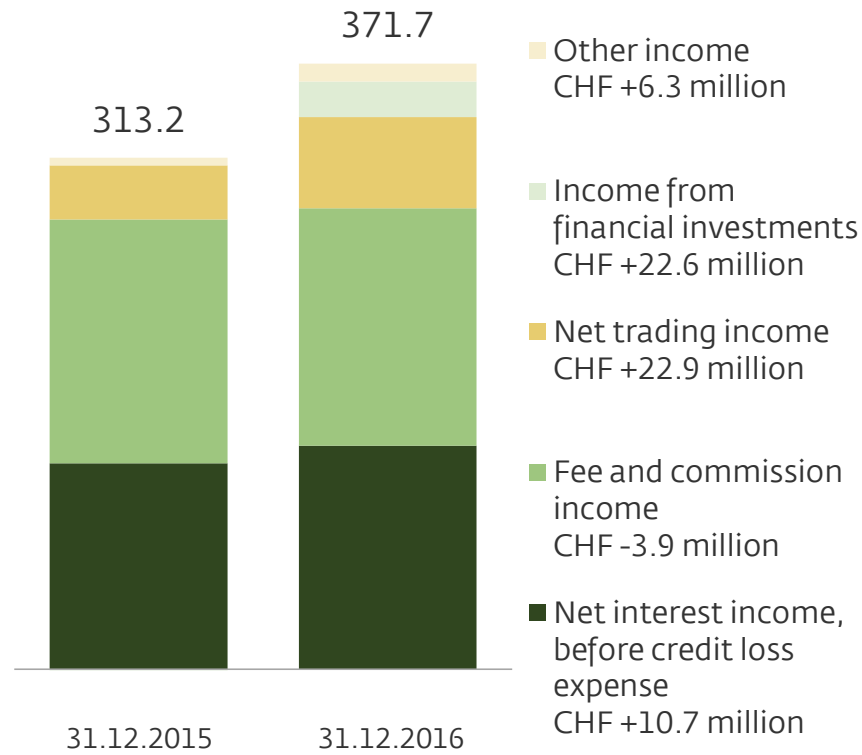
StepUp2020 strategy –
with dynamism on the path to
sustainably profitable growth

Financial result

Increase in profitability

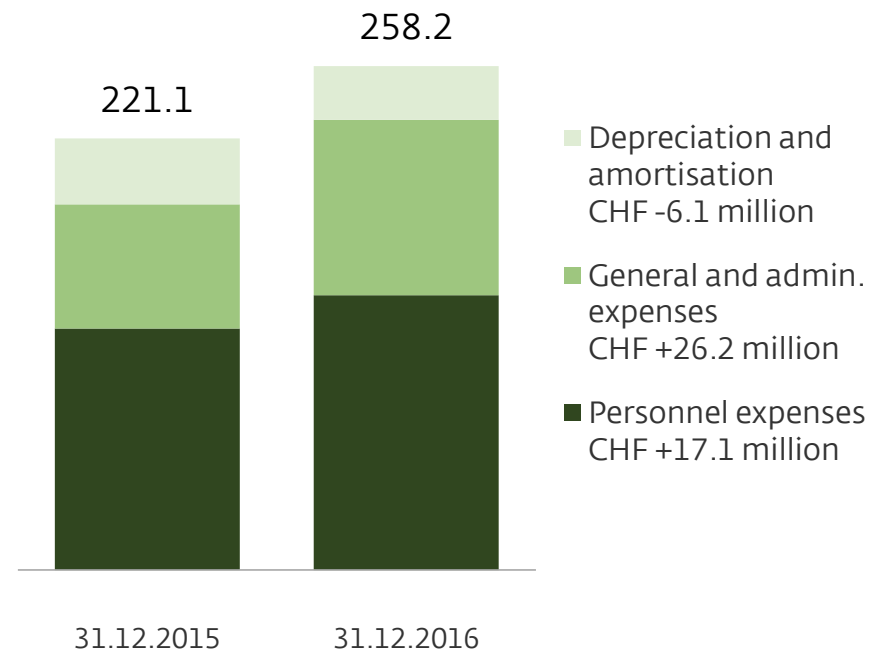
Operating income (in CHF millions)

↑ +58.5 million (+18.7 %)



Operating expenses (in CHF millions)

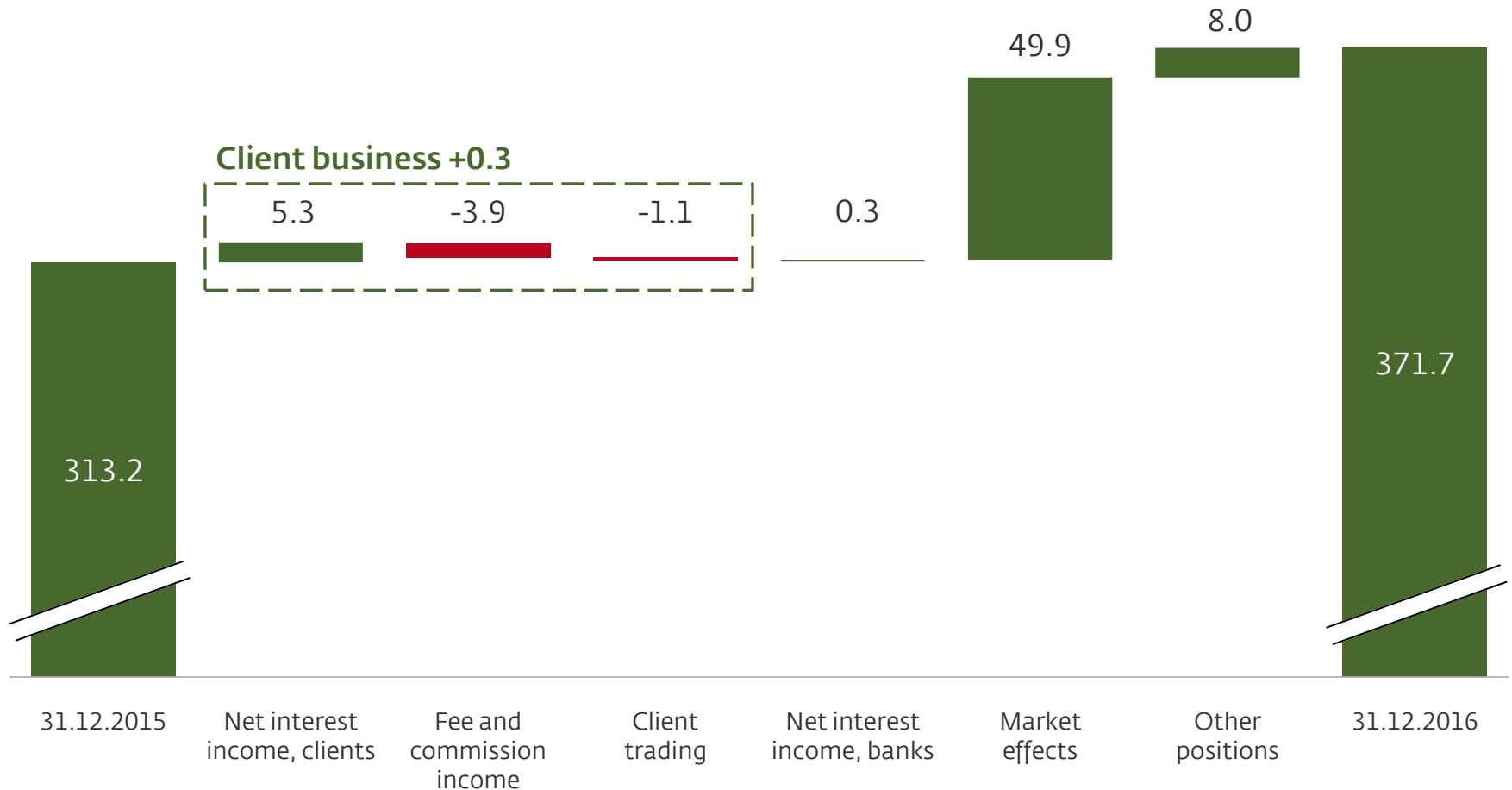
↑ +37.1 million (+16.8 %) *



* Increase without one-off costs +5 %

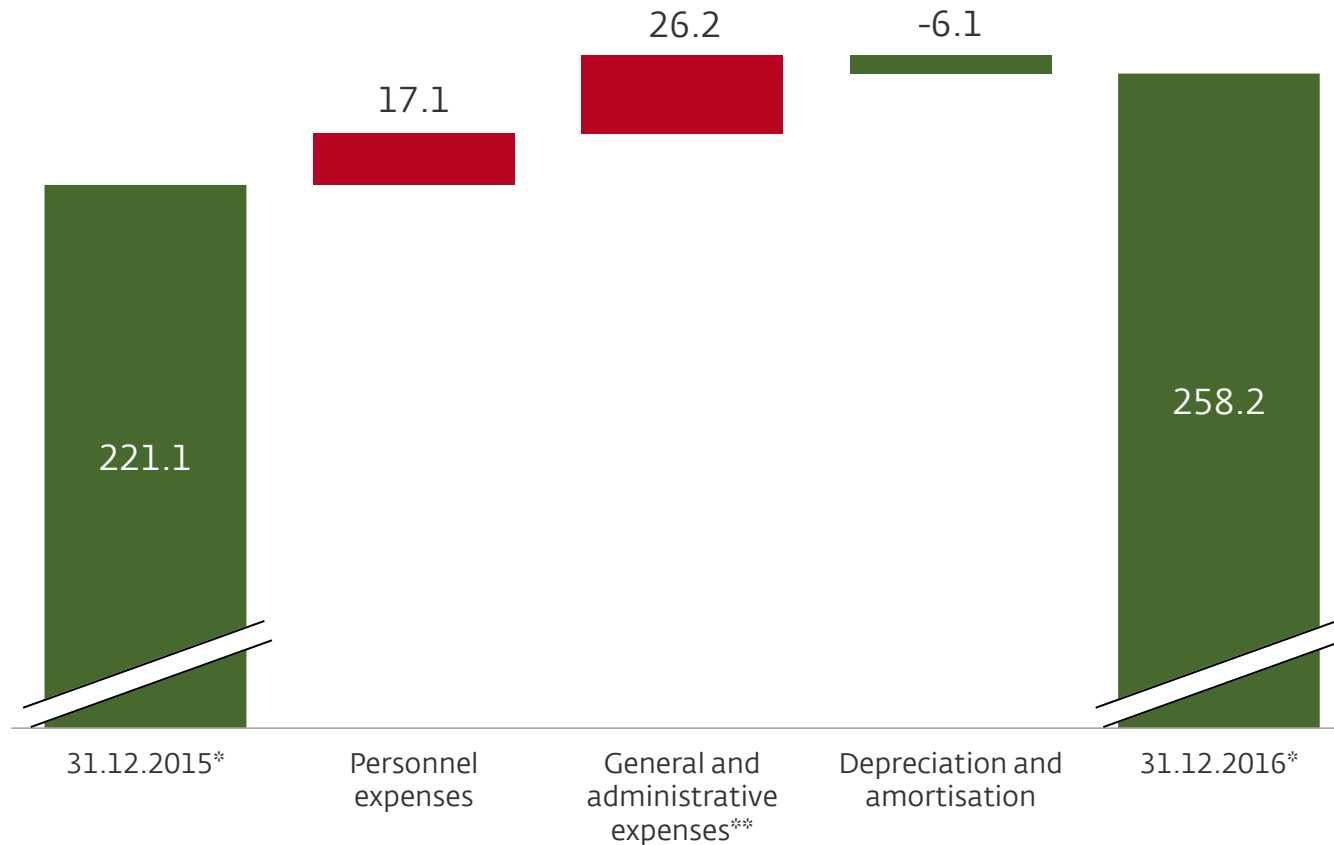
Solid development of client business

Operating income (in CHF millions)



Strategic personnel expansion

Operating expenses (in CHF millions)

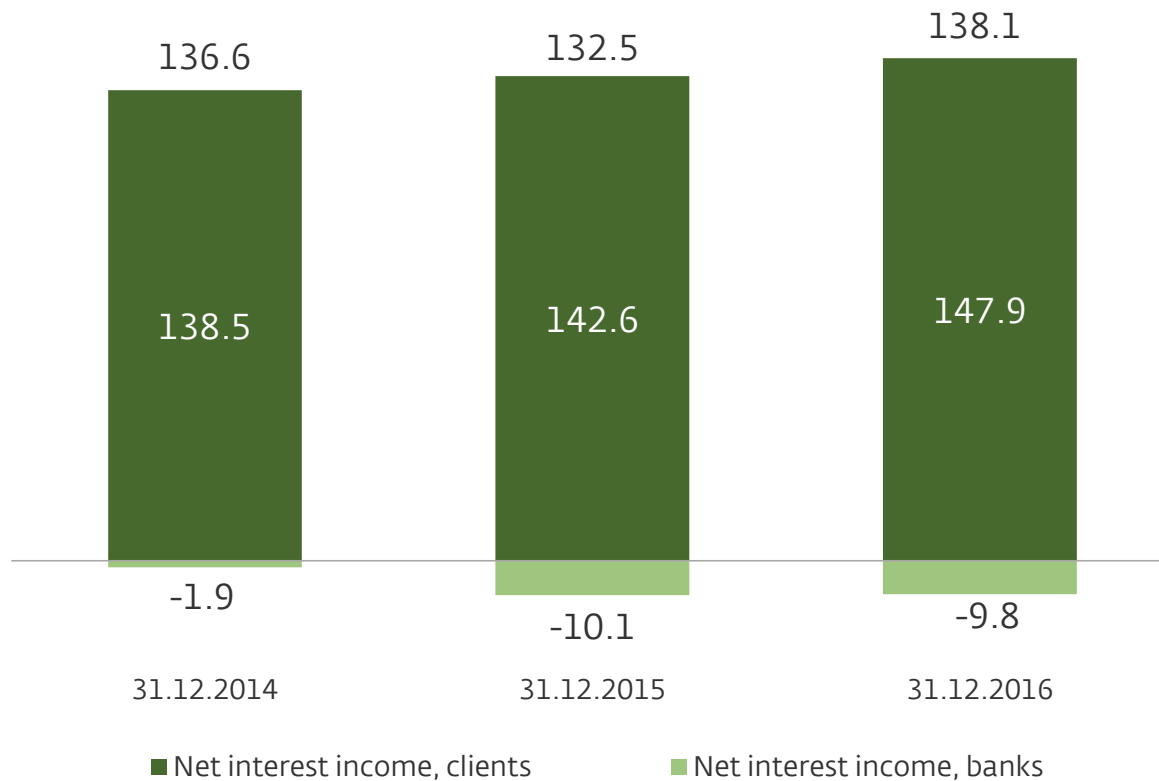


* one-off reduction of expenses resulting from the valuation of pension liabilities of CHF 11 million in the 2015 fiscal year and CHF 10 million in the 2016 fiscal year

** General and administrative expenses without provisions for legal and litigation risks: CHF 0.8 million higher

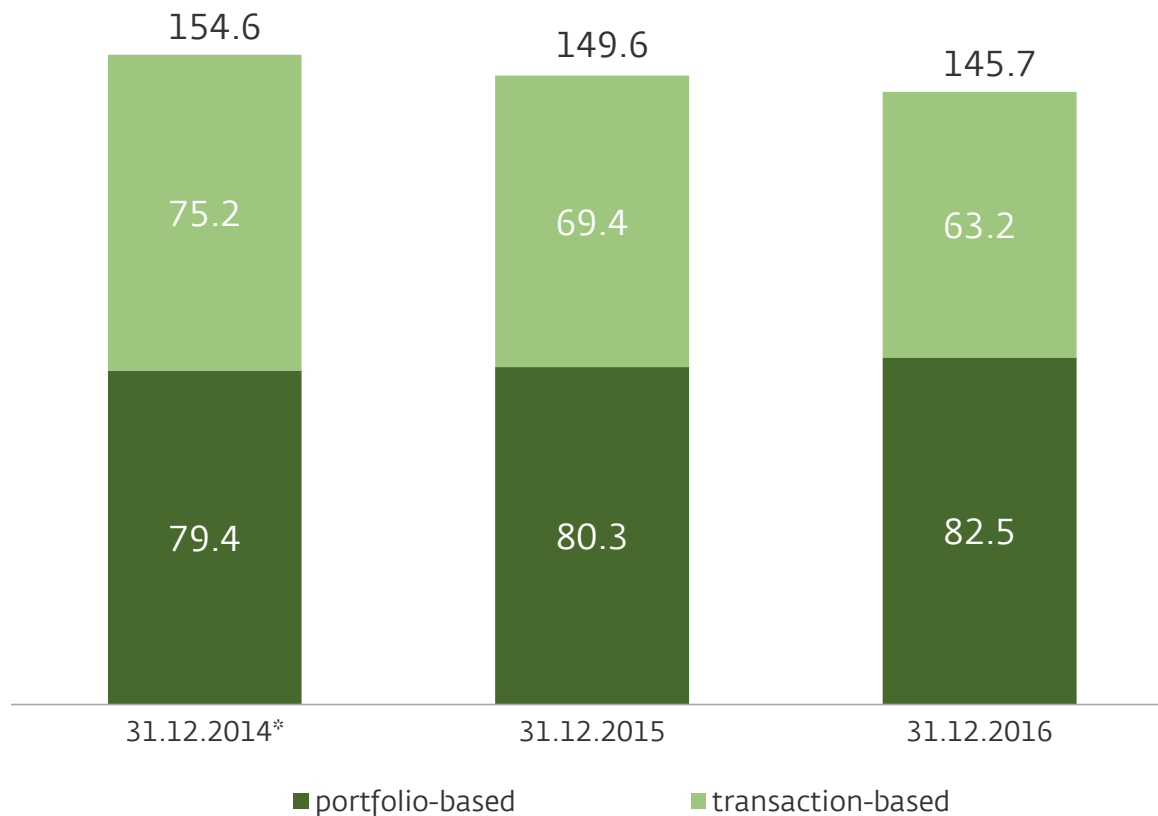
Strong interest business

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



Robust fee and commission income

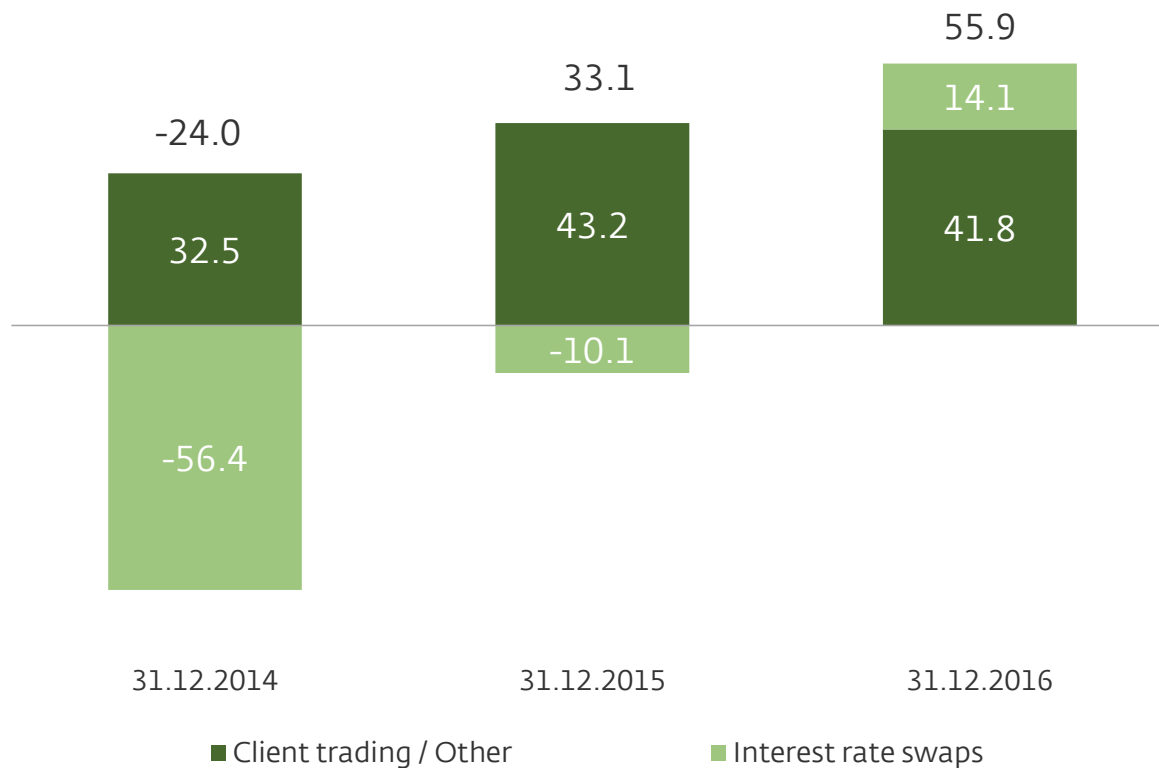
Fee and commission income (in CHF millions)



* adjusted for swisspartners Group

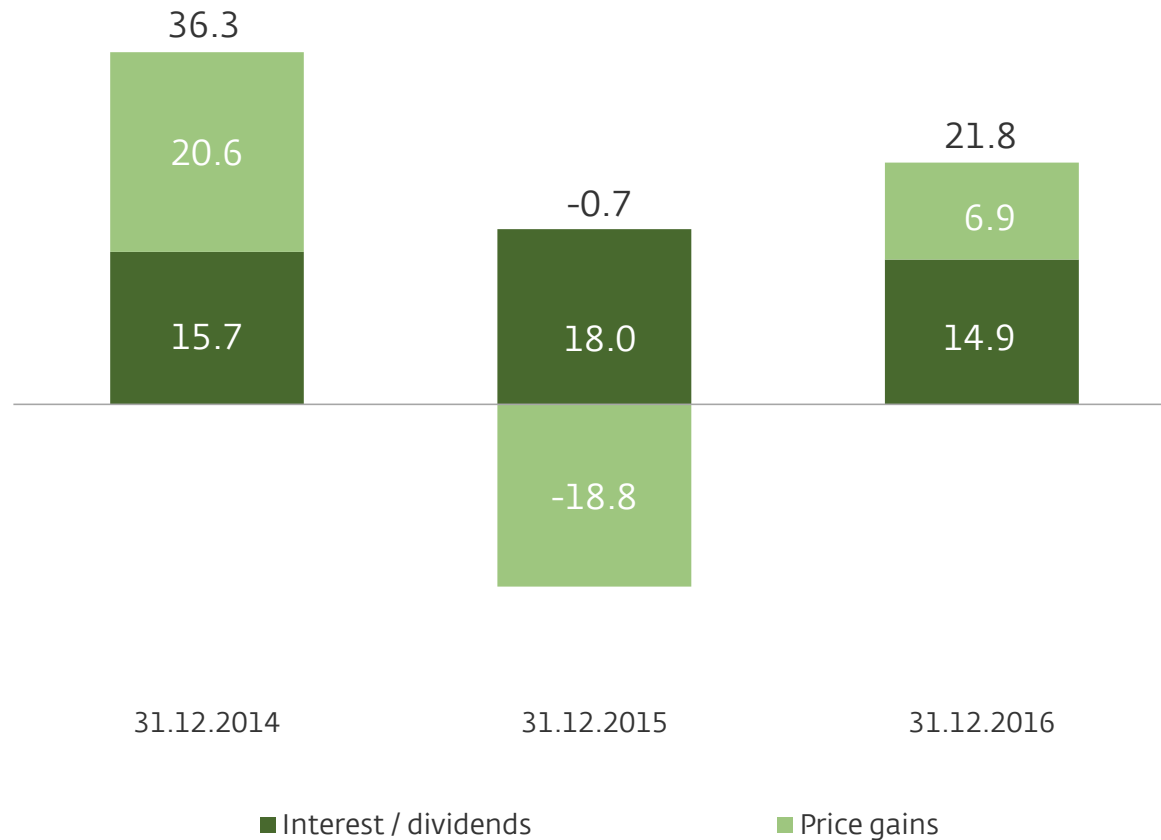
Client trading lives up to record level of 2015

Net trading income (in CHF millions)



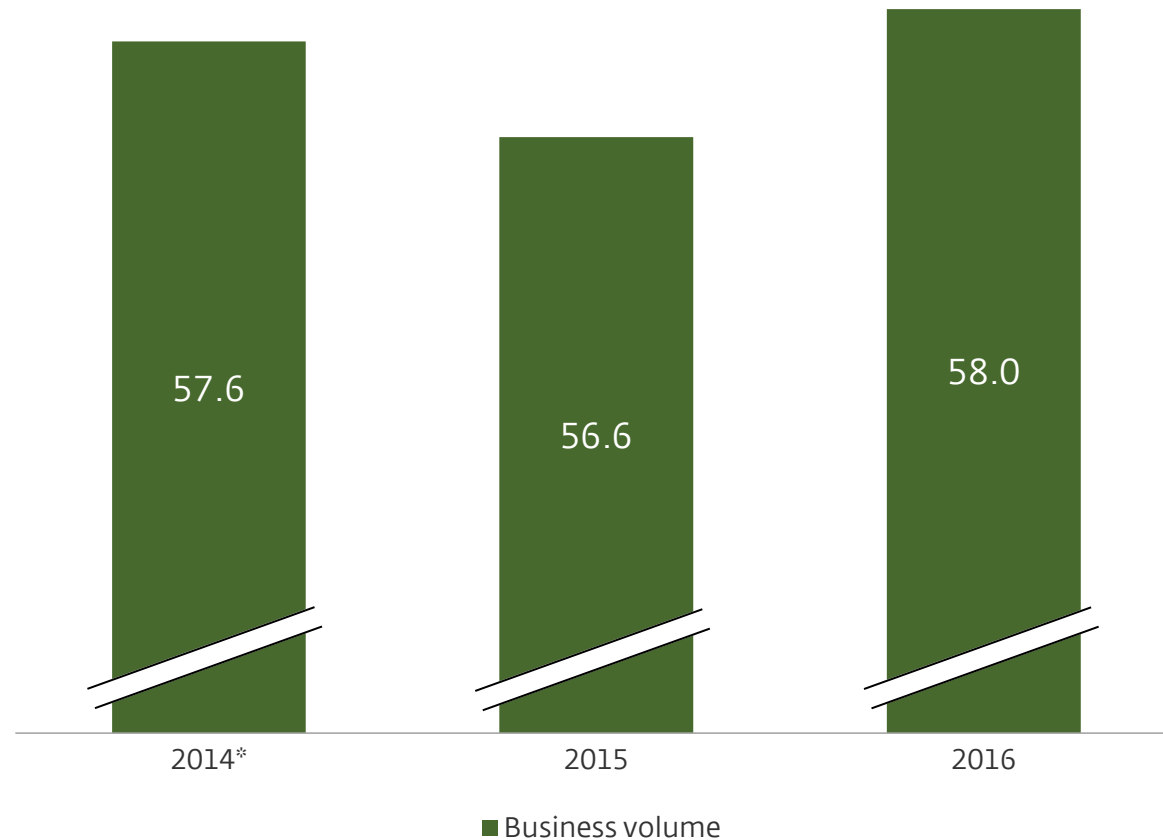
Price gains over previous year

Income from financial investments (in CHF millions)



Increase in business volume

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



* adjusted for swisspartners Group

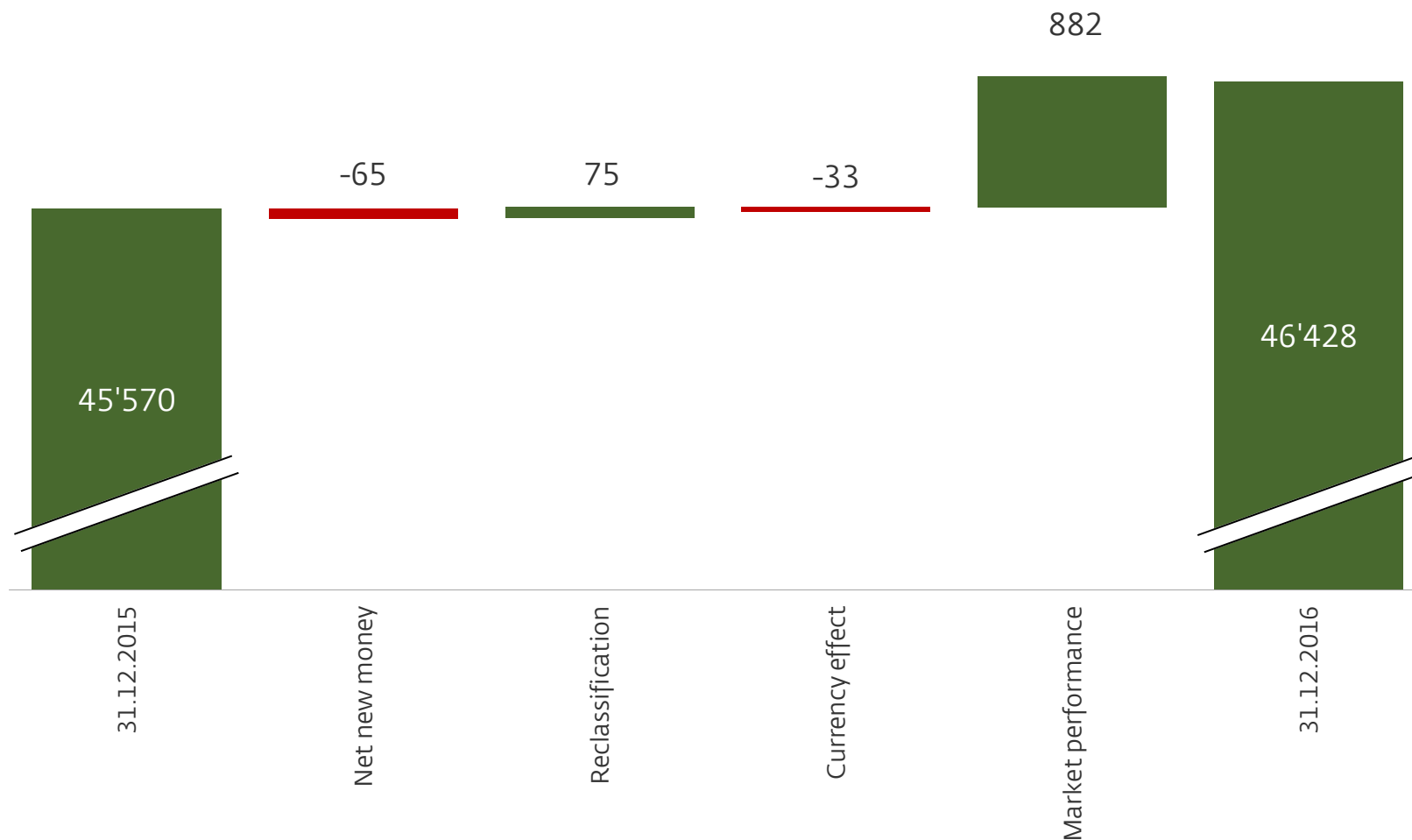
Record-high client loans

Client loans (in CHF billions)



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 |
|---|----------------------------------|--------------------|--------------------------|
| Business volume (in CHF billions) | 18.1 | 14.8 | 25.2 |
| Net new money (in CHF millions) | +334 | +173 | -568 |
| Growth of client loans (in CHF millions) | +344 | +151 | +63 |
| Profit before taxes (in CHF millions) | 41.8 | 32.2 | 46.2 |
| Gross margin (in bps) | 71 | 64 | 31 |

Moody's rating underlines financial strength of the LLB

| in CHF billions | 31.12.2014 | 31.12.2015 | 31.12.2016 |
|--|------------|------------|------------|
| Balance sheet total | 20.8 | 19.7 | 20.0 |
| Risk-weighted assets | 8.4 | 7.6 | 7.6 |
| Common equity Tier 1 (CET1) | 1.5 | 1.6 | 1.6 |
| Tier 1 ratio / CET1 ratio (in %) | 18.3 | 20.6 | 21.0 |
| LCR – Liquidity coverage ratio (in %) | - | - | 114.8 |
| Leverage ratio (in %) | - | - | 7.8 |
| Moody's deposit rating | - | - | Aa2 |

Conclusion

1

Significantly improved result

- ◆ Stable client business
- ◆ Positive impact of interest rate increase
- ◆ Targeted investments

2

Focused growth

- ◆ Strong inflows in domestic and growth markets
- ◆ Record-high mortgage business

3

Stability and security

- ◆ CET 1 ratio of 21.0 %
- ◆ Moody's deposit rating Aa2
- ◆ Leeway for growth ambitions

Strategy & outlook

StepUp2020 – the four core elements

Growth

- ◆ Accelerated organic growth
- ◆ Targeted acquisitions in home markets
- ◆ Critical size in all business segments

Profitability

- ◆ Increase in margins
- ◆ Efficient market development
- ◆ Strict cost management



Innovation

- ◆ Pioneering digital solutions
- ◆ Leading branch concept
- ◆ Innovative services and products

Excellence

- ◆ Mainstreaming of lean management in the organisation
- ◆ High compliance standards
- ◆ Excellent competence level

Innovative products and services in all market divisions



LLB Invest



LLB Xpert Solutions



LLB Combi



LLB Compass

LLB Invest: Investment advice of the future



LLB Invest

- ◆ New advisory experiences
- ◆ Combination of human and technology
- ◆ Positive client feedback



LLB Xpert Solutions



LLB Combi



LLB Compass

LLB Xpert Solutions: New services for intermediaries

- ◆ Expanded range of B2B offerings
- ◆ Flexible pricing
- ◆ Portfolio monitoring with LLB Xpert Monitoring



LLB Combi: Individualised product packages



LLB Invest



LLB Xpert Solutions



LLB Combi



LLB Compass

- ◆ Innovative combination of traditional products
- ◆ Clarity in banking
- ◆ Price advantage for clients

LLB Compass: 360-degree financial planning



LLB Invest



LLB Xpert Solutions



LLB Combi

- ◆ Advisory packages for private clients/enterprises
- ◆ Holistic approach
- ◆ Solution for all financial questions



LLB Compass

Pioneer in video identification



- ♦ Fast and easy online account opening
- ♦ Opening hours
8.00 a.m. – 8.00 p.m.

- ♦ First bank in Liechtenstein with video identification

Excellence in client advice – SAQ-certified



High client benefit with lean management

Mortgage business

- ◆ Standardised and automated
- ◆ Client benefit significantly increased
- ◆ Credit approval up to 40 % faster

Account opening

- ◆ Private Banking and institutional clients
- ◆ Turnaround times significantly reduced

Numerous awards for investment performance and first-class advice

LLB Asset Management

- ◆ Largest investment team in Liechtenstein
- ◆ More than 30 employees
- ◆ 40 funds
- ◆ CHF 10.8 bn under management
- ◆ Value-based investment approach
- ◆ GIPS certification

Awards for investment performance



Awards for advice



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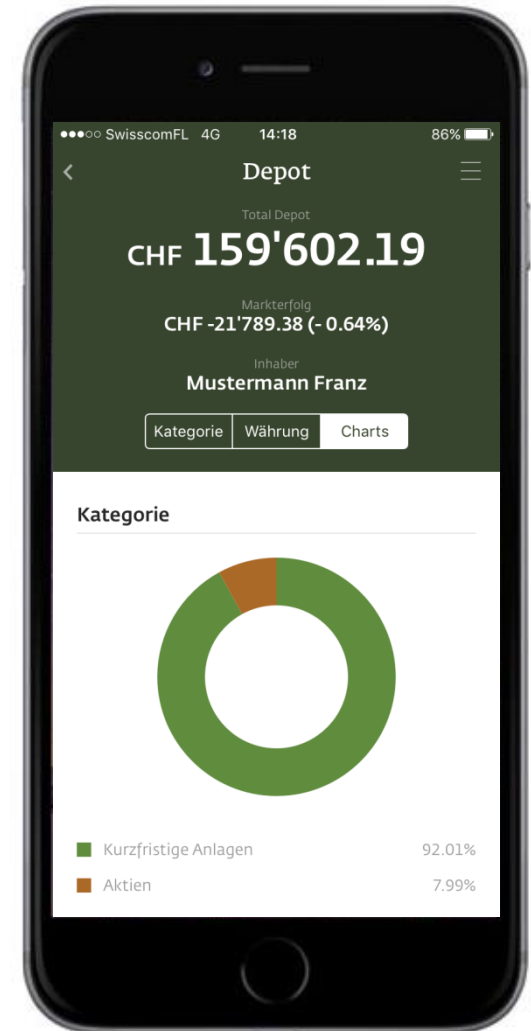
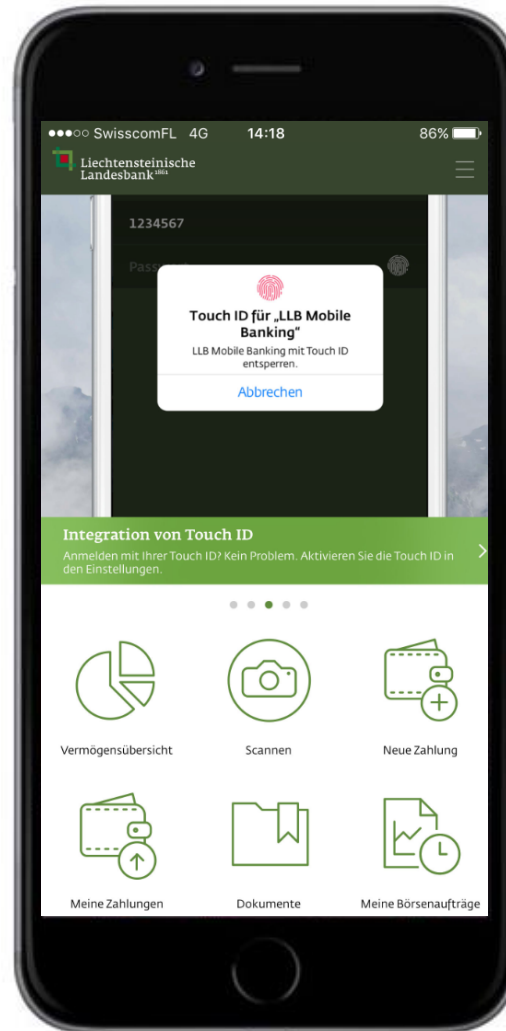
LLB: Ziemlich perfekter Auftritt



Outlook

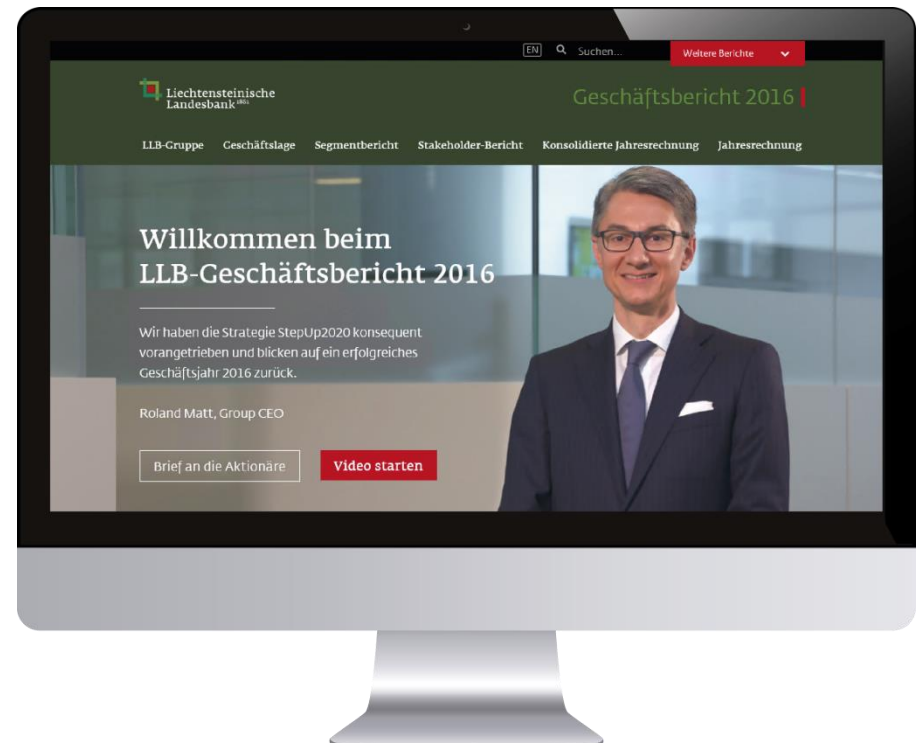
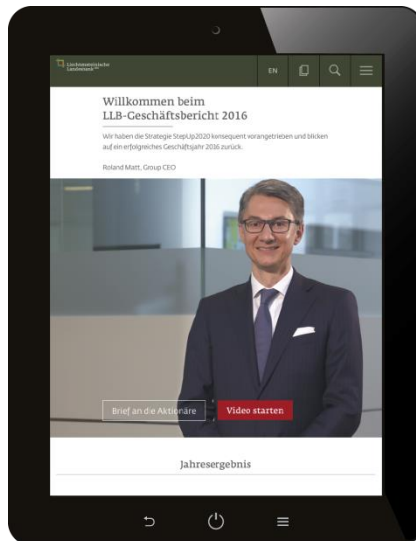
Mobile Banking according to newest standards

- ◆ Innovative design
- ◆ Highest degree of security
- ◆ Expanded functionality
- ◆ Price advantages for clients



Web portal with Online Banking

- ◆ One-stop-shopping portal
- ◆ Completely responsive
- ◆ Additional data protection



Excellent sales management

- ◆ Lean initiatives in the market divisions
- ◆ More time for taking care of our clients
- ◆ Higher number of client contacts
- ◆ More systematic sales management



Employer of choice



More flexible working
hours / location

Compatibility of
career & private life

Working atmosphere &
health

Questions



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Contact and financial calendar

Contact

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Financial calendar

25th Annual General Meeting of Shareholders

Friday, 12 May 2017

Ex-dividend date

Tuesday, 16 May 2017

Dividend payout date

Thursday, 18 May 2017

Presentation of 2017 interim financial reporting

Thursday, 24 August 2017

Presentation of 2017 business result

Thursday, 8 March 2018

Disclaimer

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Thank you!



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