

# Interim Financial Reporting 2020

Conference Call of the LLB Group 25 August 2020



# Agenda

Introduction

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Georg Wohlwend, BOD Chairman

Interim financial reporting 2020

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Christoph Reich, Group CFO

StepUp2020 strategy and outlook

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Roland Matt, Group CEO

Q&A

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# LLB – Crisis-resistant player during the corona pandemic

- Banking operations assured at all times
- Complete implementation of official measures to ensure protection of clients and employees
- LLB continues to stand for stability and security



# Interim financial reporting 2020

# Group interim result at a glance

Tier 1 ratio


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**20.4 %**  
(+0.8 pp)

Cost / Income-Ratio

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**65.5 %**  
(-4.2 pp)



Group net profit  
**CHF 60.2**  
million  
(-1.5 %)

Assets under  
management

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**CHF 73.5 billion**  
(-3.7 %)

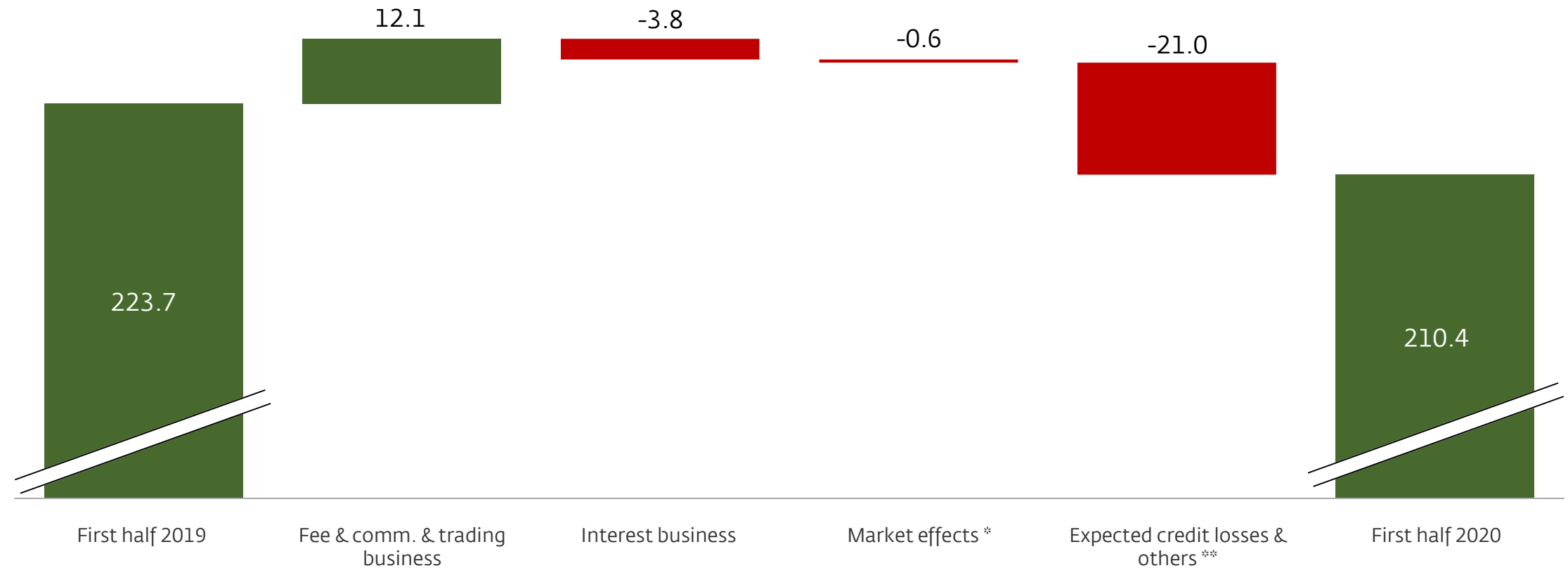
Loans to clients

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**CHF 13.0 billion**  
(+0.2 %)

# Balanced and stable earnings situation

## Operating income (in CHF millions)

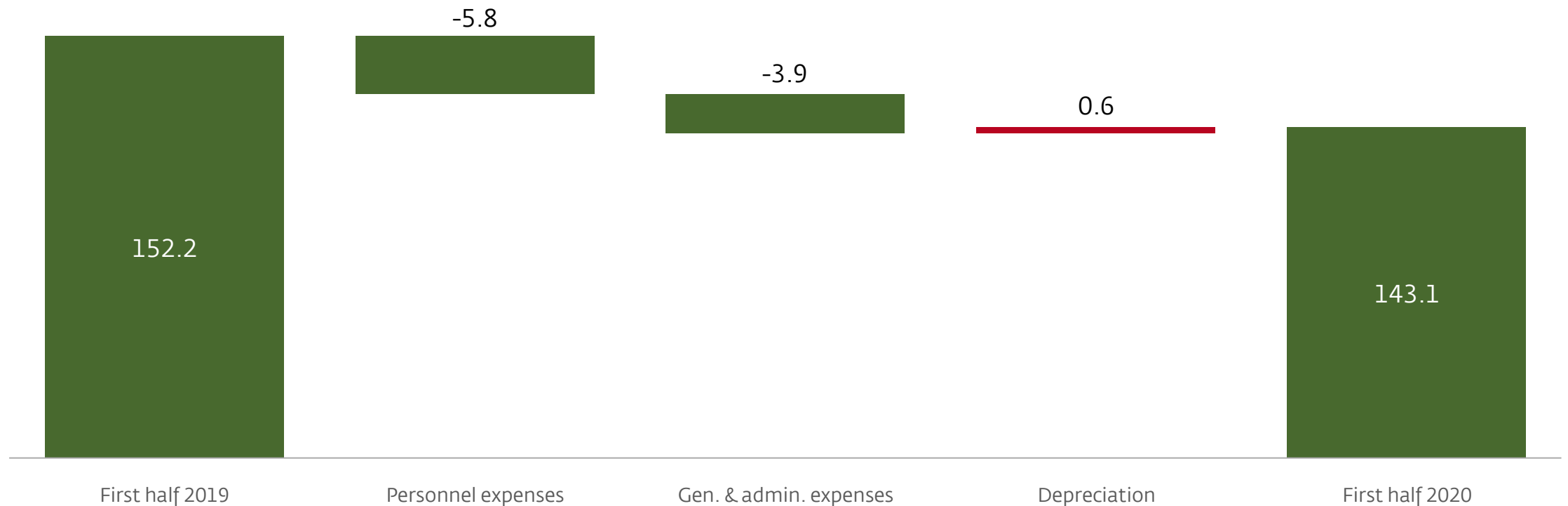


\* contains valuation of interest rate swaps measured on reporting date and price gains with financial investments

\*\* net allocation of provisions for credit losses of CHF 13.8 million in first half of 2020

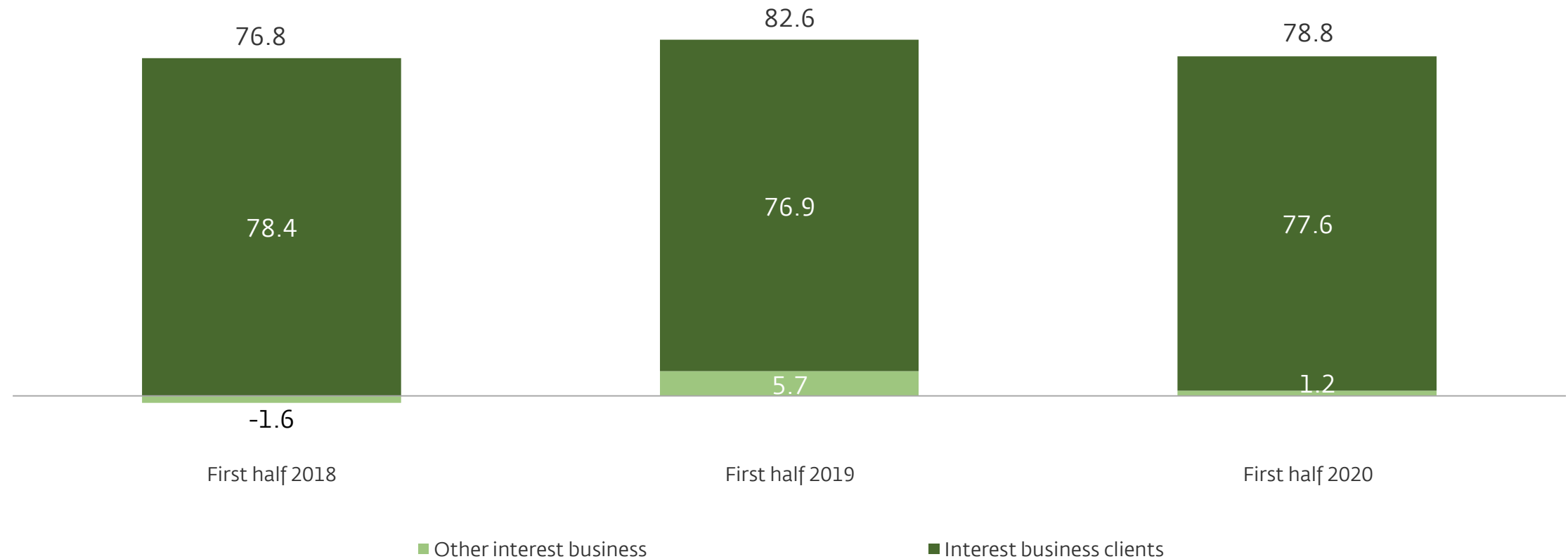
# Operating expenses reduced

Operating expenses (in CHF millions)



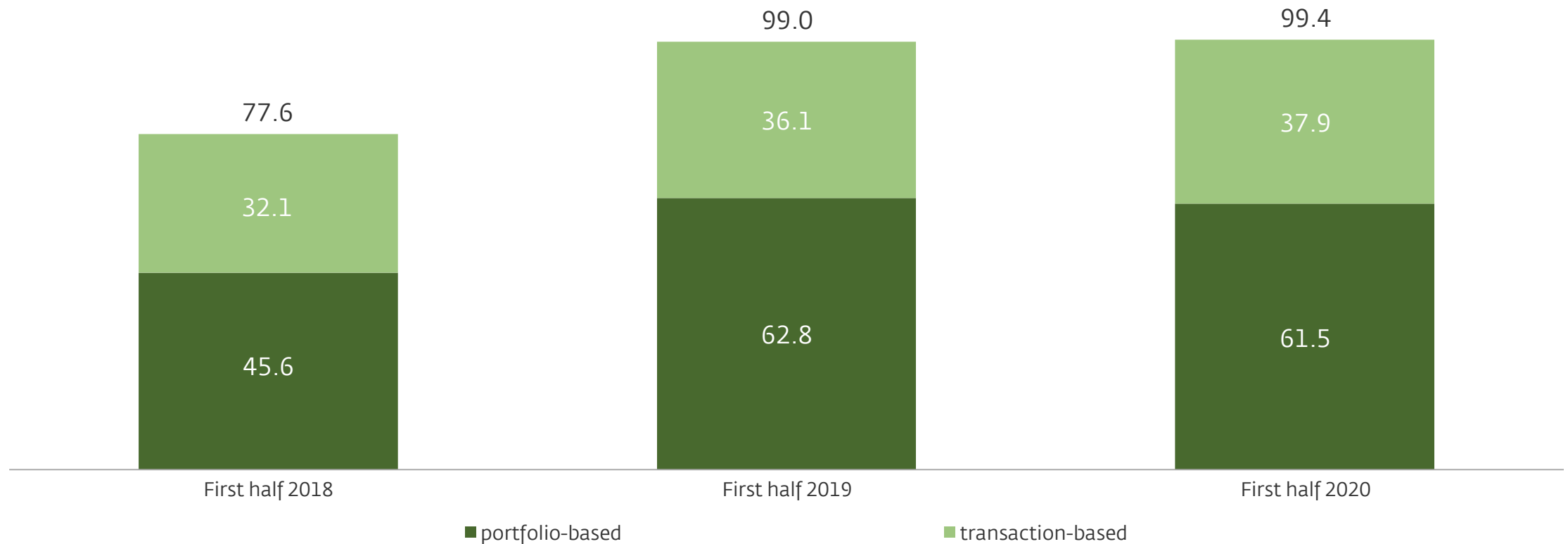
# Stable interest business with clients

Interest income before credit loss expense (in CHF millions)



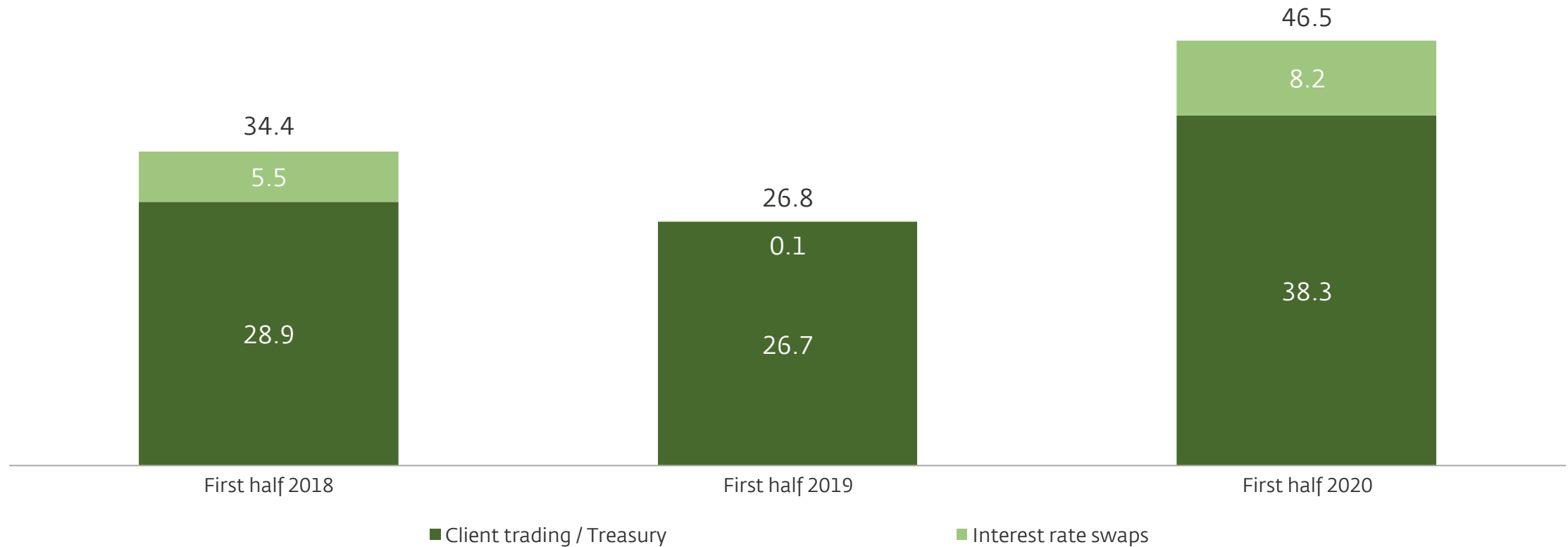
# Transaction-based income increases

Net fee and commission income (in CHF millions)



# Increased client trading activity

Net trading income (in CHF millions)



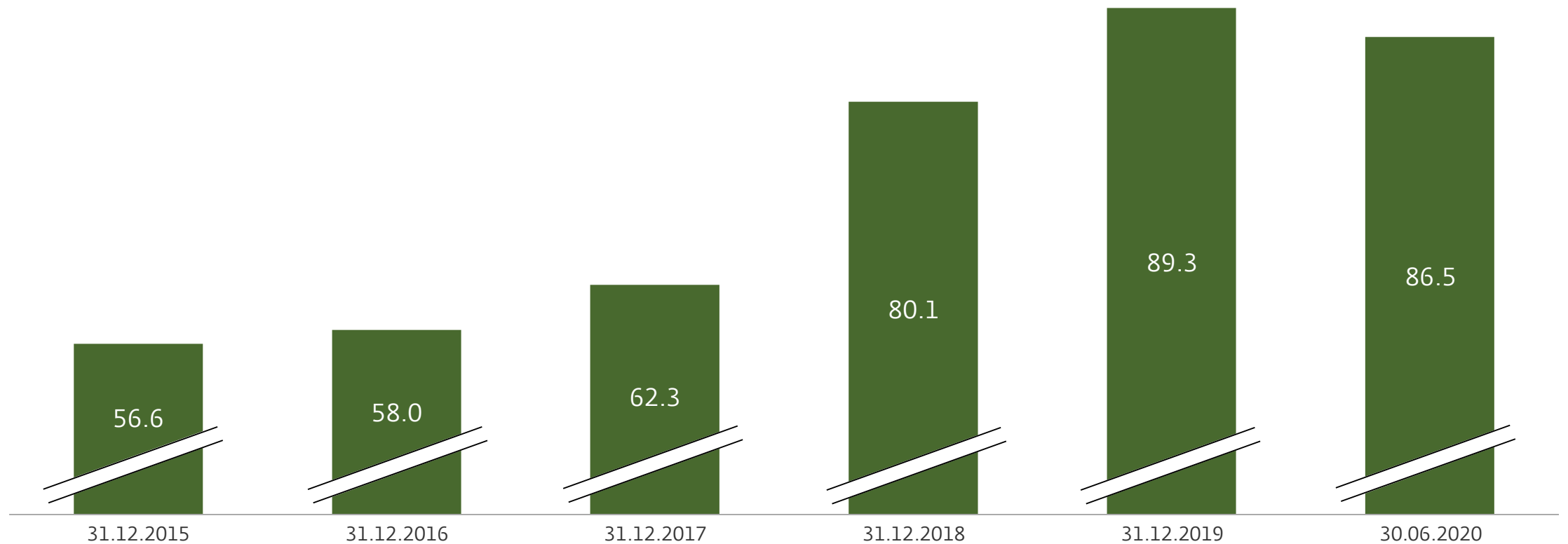
# Higher dividend earnings

## Income from financial investments (in CHF millions)



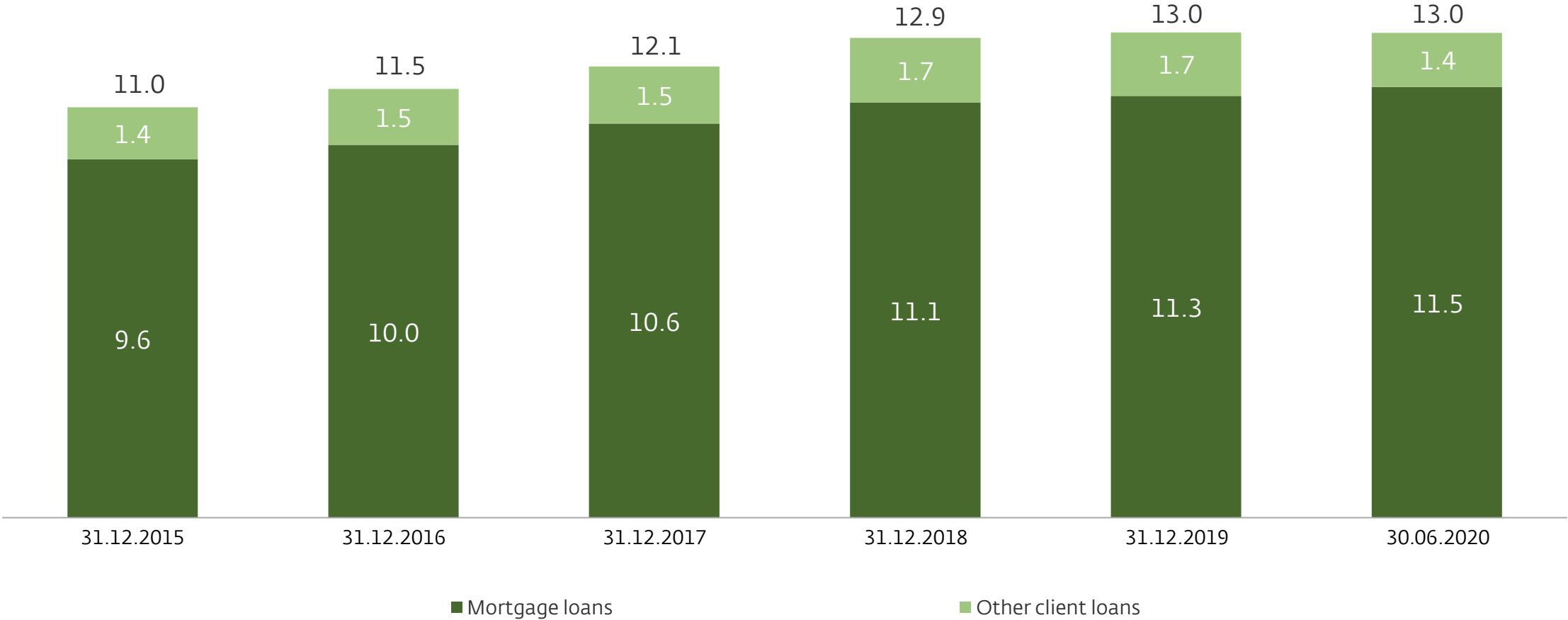
# Business volume reaches 86 billion

**Business volume** (client assets and loans to clients in CHF billions)



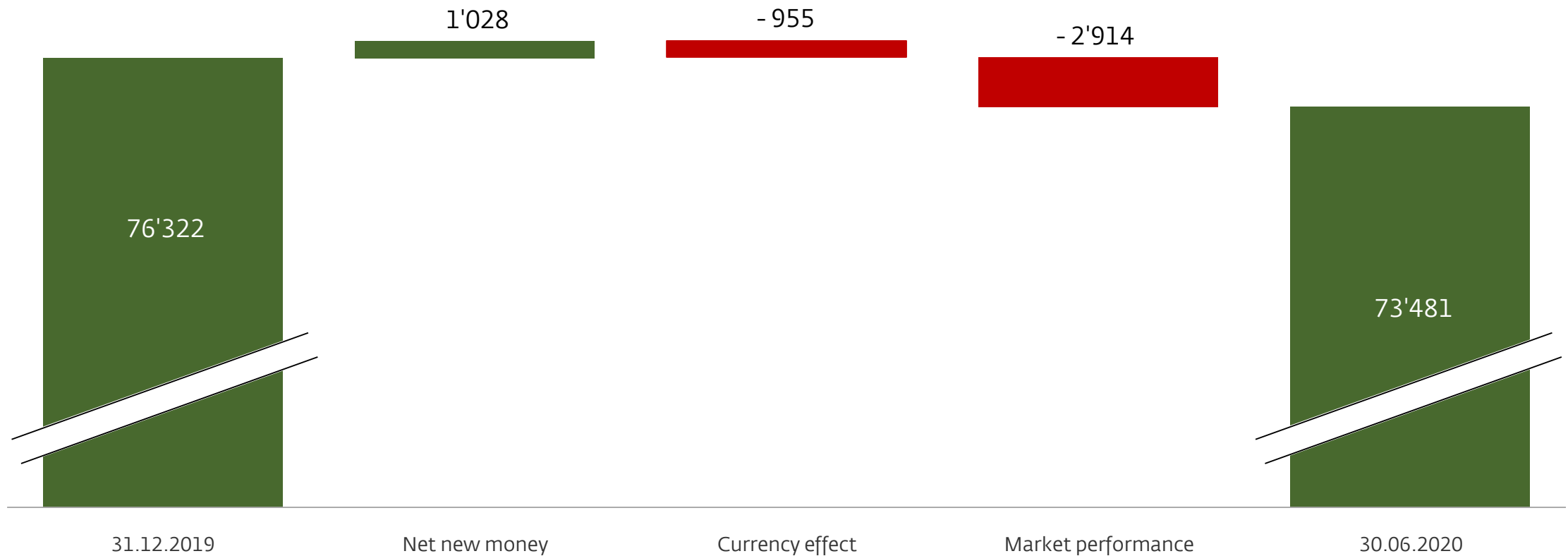
# Continuing growth of mortgage loans

Loans to clients (in CHF billions)



# Further net new money inflows

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



# Financial strength and stability

in CHF billions	31.12.2018	31.12.2019	30.06.2020
<b>Balance sheet total</b>	22.9	22.7	24.0
<b>Risk-weighted assets</b>	8.2	8.4	8.0
<b>Common equity tier 1 (CET1)</b>	1.6	1.6	1.6
in %			
<b>Tier 1 ratio / CET1 ratio</b>	19.0	19.6	20.4
<b>LCR - liquidity coverage ratio</b>	148	157	152
<b>Leverage ratio</b>	6.7	7.1	6.6
<b>Moody's deposits rating</b>	Aa2	Aa2	Aa2

## Three high-performing market divisions

	Retail & Corporate Banking	Private Banking	Institutional Clients
<b>Business volumes</b> (in CHF billions)	20.2	18.2	48.1
<b>Net new money</b> (in CHF millions)	+422	+171	+435
<b>Growth of client loans</b> (in CHF millions)	+125	-79	-40
<b>Gross margin</b> (in bps)	68	69	28
<b>Profit before taxes</b> (in CHF millions)	20.2	19.2	30.2

# Conclusion

1

## Profitability

- ◆ Stable earnings streams thanks to diversification
- ◆ Costs reduced

2

## Growth

- ◆ Broadly-based growth
- ◆ Net new money inflows confirm positive trend
- ◆ Continuing growth of mortgage loans

3

## Stability and security

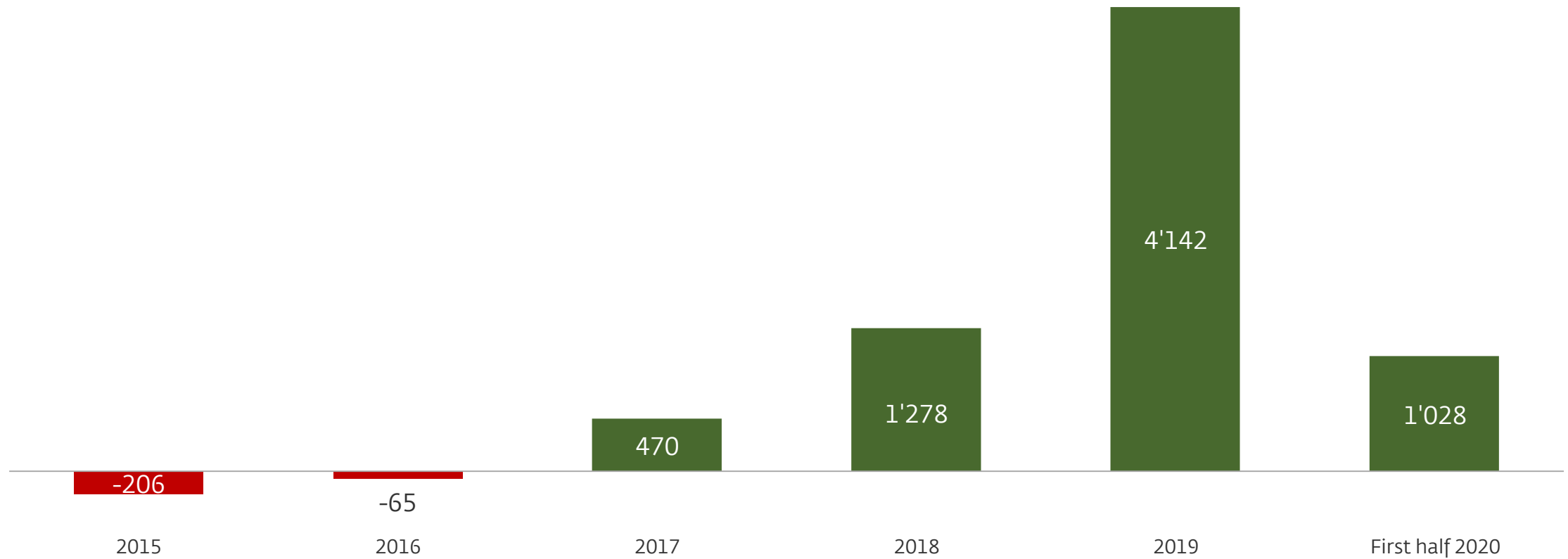
- ◆ Tier 1 ratio of 20.4 percent
- ◆ Moody's deposits rating Aa2
- ◆ Scope for further growth ambitions

# StepUp2020 strategy

# New money inflows in all market divisions and booking centres

Growth  
Profitability  
Innovation  
Excellence

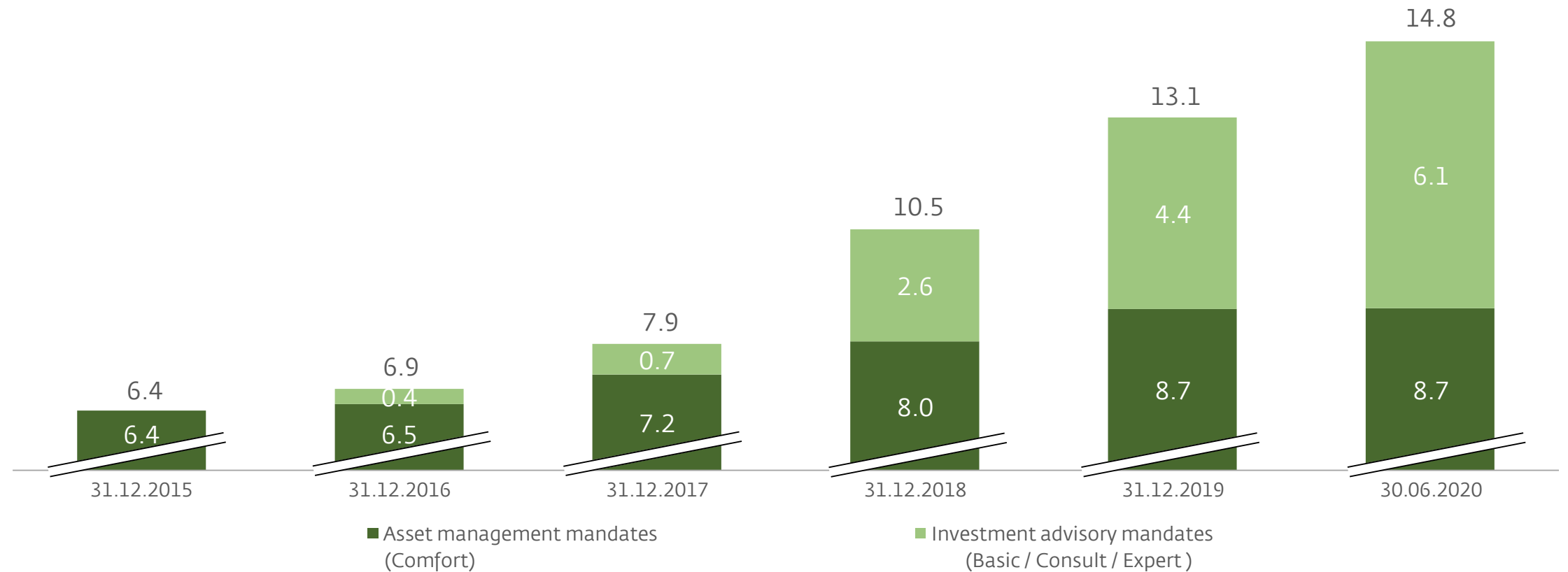
## Development of net new money (in CHF millions)



# Higher profitability thanks to innovative products

Growth  
Profitability  
Innovation  
Excellence

LLB Invest (in CHF billions)



# LiPay – LLB's 24 / 7 instant payment system

Growth  
Profitability  
**Innovation**  
Excellence



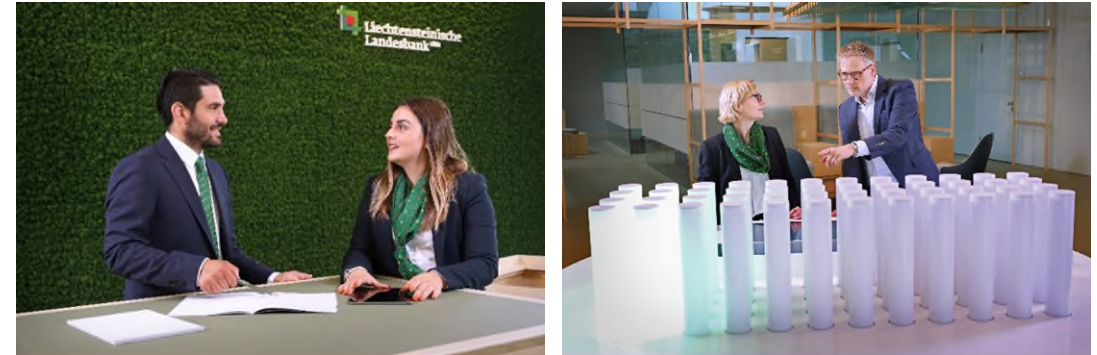
**Radically simple. Radically inexpensive. Radically flexible.**

# Further bank branches redesigned in line with new concept

Growth  
Profitability  
**Innovation**  
Excellence

## We make banking into an experience

- Eschen branch reopened after remodelling
- New concept offers more closeness to clients and an innovative advisory experience
- Open ambience coupled with unique banking tools
- Focus on providing personal advice



# Outstanding investment advice

## Outstanding investment advice

- Largest investment team in Liechtenstein
- Value-based investment concept
- Systematic investment processes create sustained added value for clients

## Outstanding investment products



- LLB Equities Dividend Pearls Global (CHF) fund wins prestigious Refinitiv Lipper Award
- Over 40 awards since 2012

# Sustainability since 1861

Growth  
Profitability  
Innovation  
**Excellence**

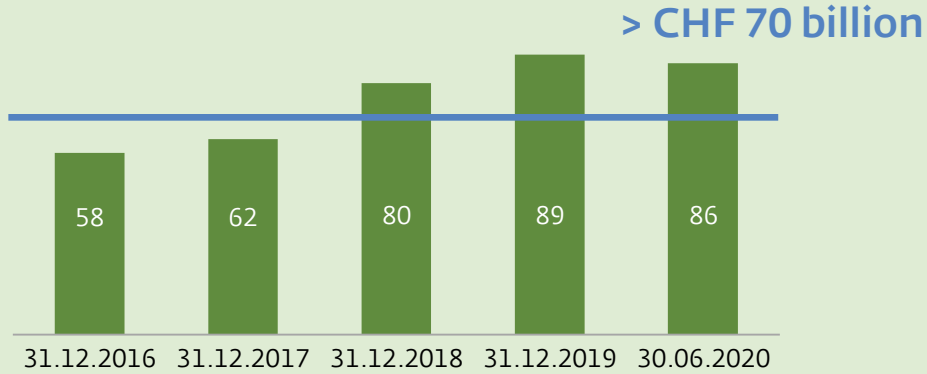
- Sustainability as an integral part of our **self-image**
- Member of the **UN initiative for sustainable investment (PRI)**
- **Research project** with the **University of Liechtenstein**
- Sustainability reporting according to the **standards of the Global Reporting Initiative (GRI)**



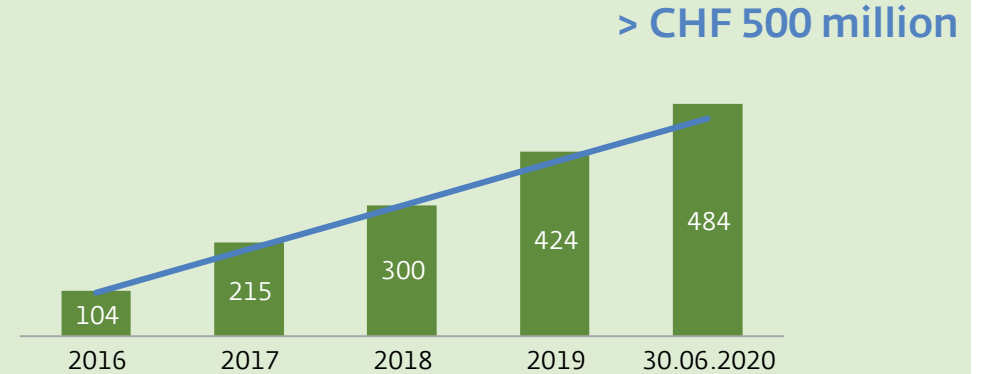
# Outlook 2020

# On course to attain StepUp2020 financial objectives

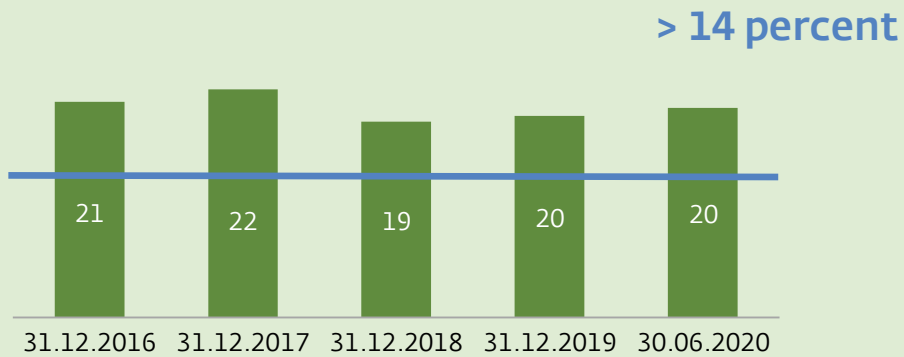
## Business volumes



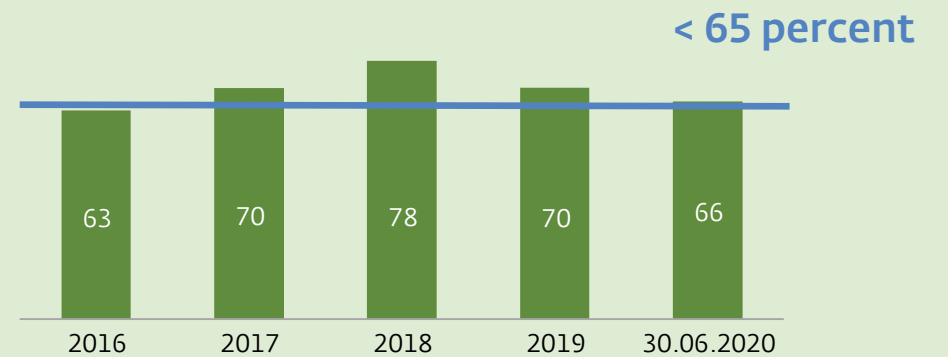
## Cumulative business result



## Tier 1 ratio



## Cost/income ratio



# Strategic priorities

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- 1 Profitability and cost management
  - 2 Digitalisation boost
  - 3 Sustainability with investments
  - 4 M&A
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# Q&A

# Contact and financial calendar

## Contact

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## Financial calendar

**Presentation of 2020 business result**

Thursday, 25 February 2021

**29th Annual General Meeting of Shareholders**

Friday, 7 May 2021

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# Thank you



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Landesbank<sup>1861</sup>

Tradition meets Innovation.