

# Interim Financial Reporting 2021

Conference Call of the LLB Group 24 August 2021



# Agenda

Introduction

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Gabriel Brenna, Group CEO

Interim financial reporting 2021

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Christoph Reich, Group CFO

StepUp2020 strategy and outlook

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Gabriel Brenna, Group CEO

Q&A

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# LLB – your reliable partner

- ◆ LLB achieves a very good interim 2021 financial result
- ◆ Consequences of the corona pandemic have no effect on the development of business
- ◆ Announcement of follow-up strategy at the end of October



# Interim financial reporting 2021

Business volume  
**CHF 102 billion**

# Group interim result at a glance

Tier 1 ratio


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**20.8 %**  
(-0.8 pp)

Cost / income ratio

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**65.1 %**  
(-0.4 pp)



Group net profit  
**CHF 71.1 million**  
(+18.2 %)

Assets under management

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**CHF 88.3 billion**  
(+10.9 %)

Loans to clients

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**CHF 13.5 billion**  
(+2.2 %)

# Enhancement of earnings quality

## Operating income (in CHF millions)



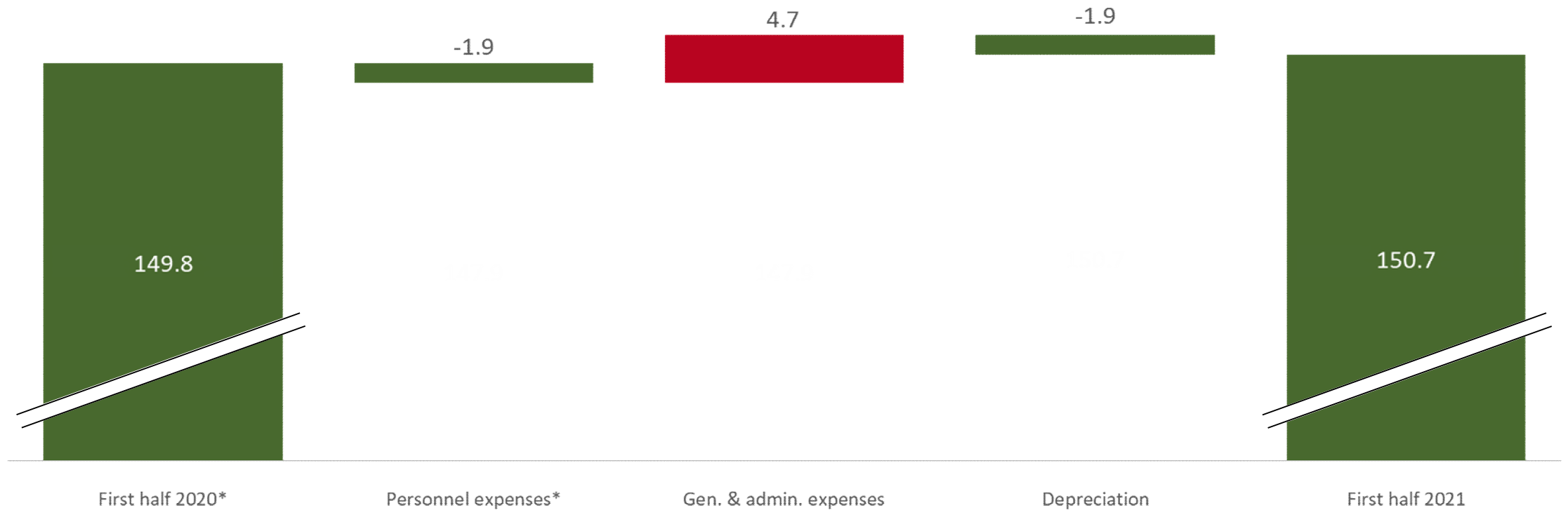
\* contains one-time valuation effect of CHF 4.8 million in „Others“

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

\*\*\* net release of provisions for expected credit losses in first half of 2021 of CHF 1.0 million, in the previous half year a net allocation of CHF 13.8 million

# Stable operating expenses

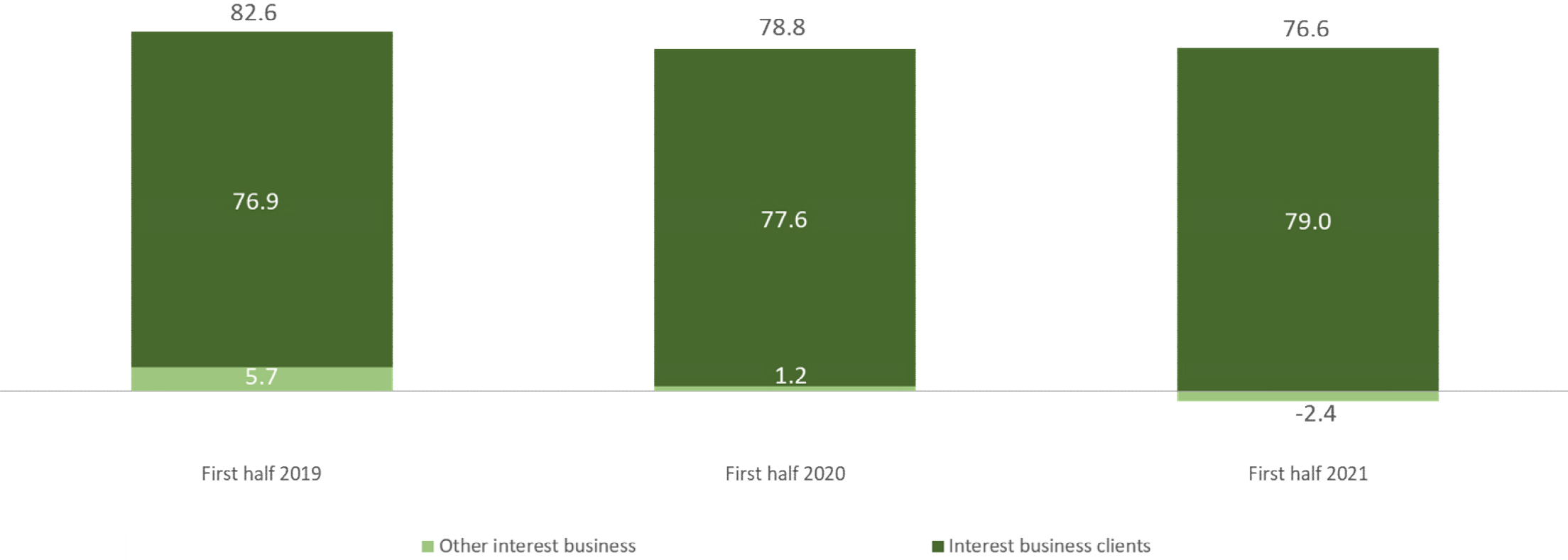
## Operating expenses (in CHF millions)



\* Adjusted to consider the effect of the adjustment of the conversion rate in the previous year of CHF 6.7 million

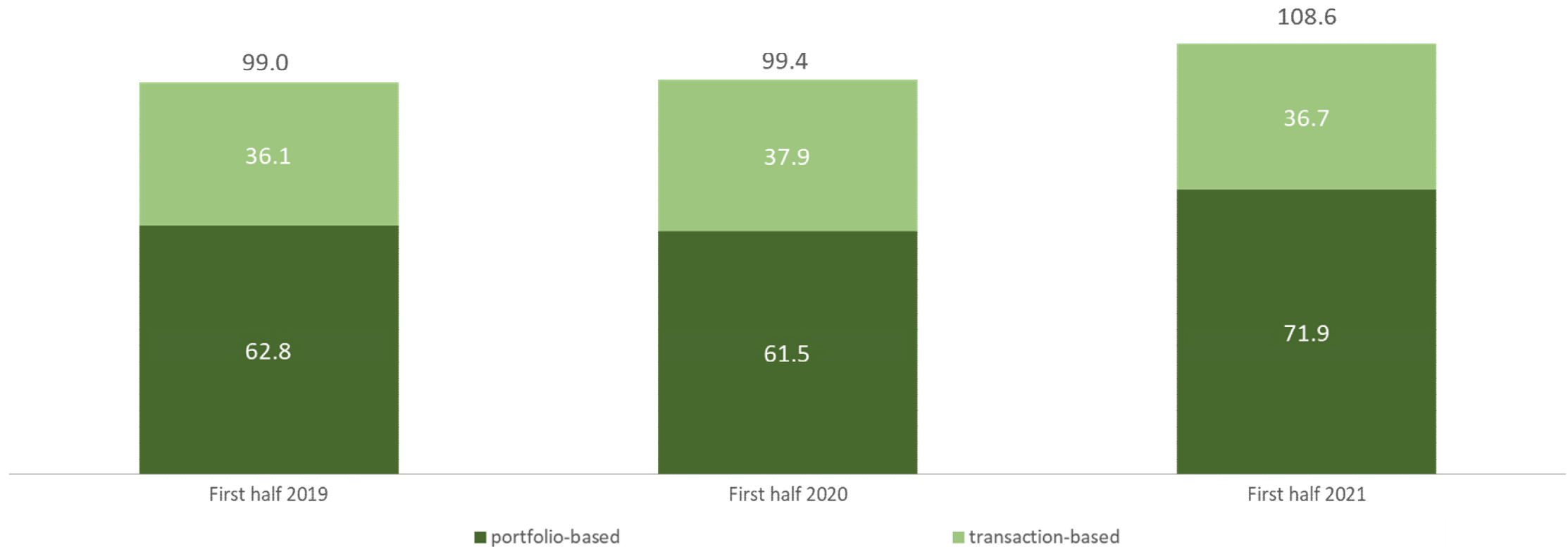
# Increased interest business with clients

Interest income before credit loss expense (in CHF millions)



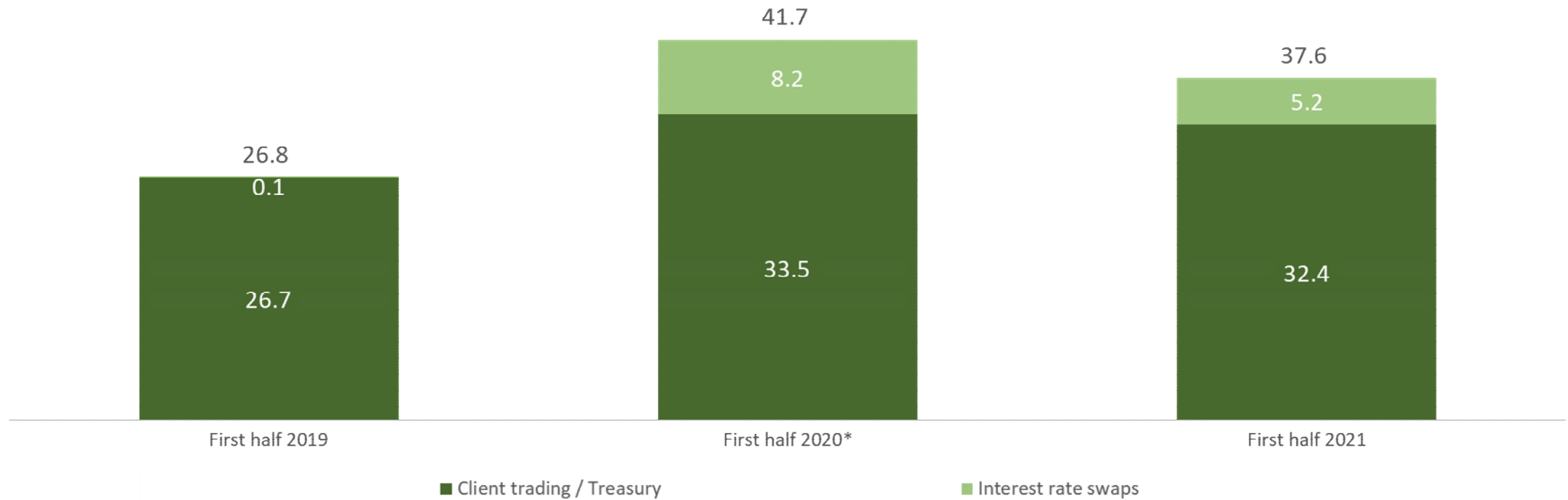
# Sustained improvement in earnings quality

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



# Solid client trading result

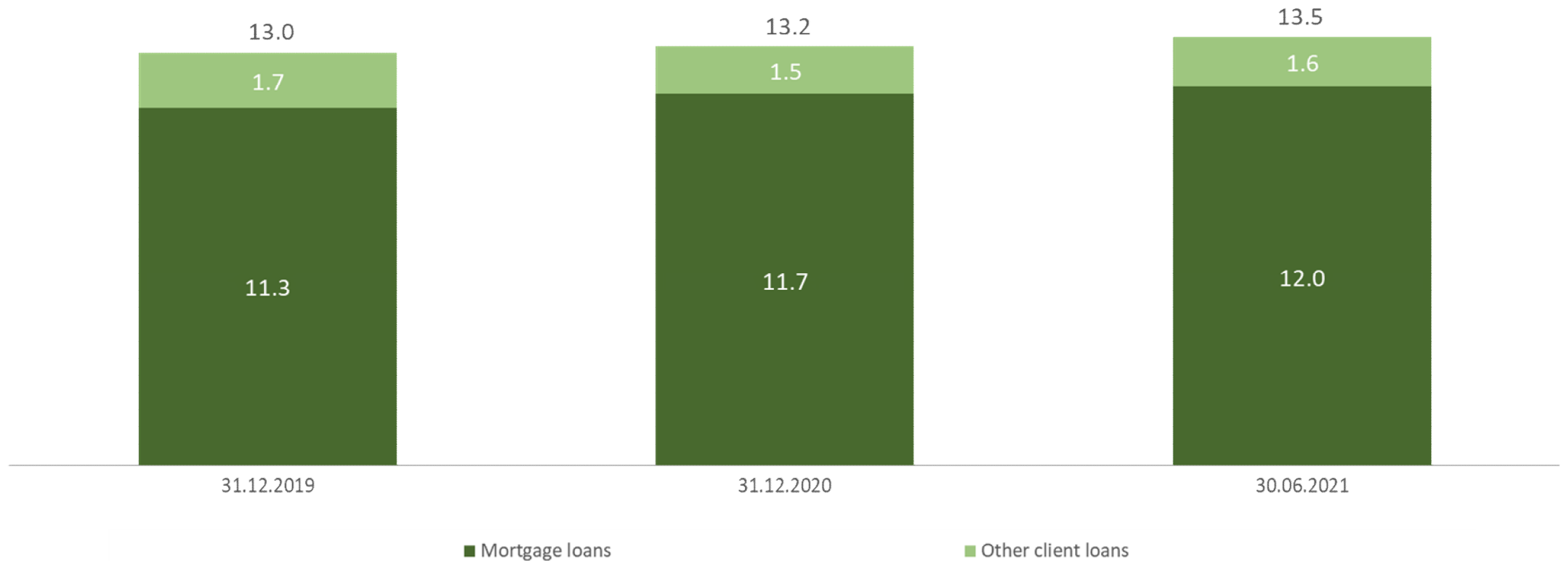
## Net trading income (in CHF millions)



\* Client trading / Treasury adjusted to consider valuation effect in the previous year of CHF 4.8 million.

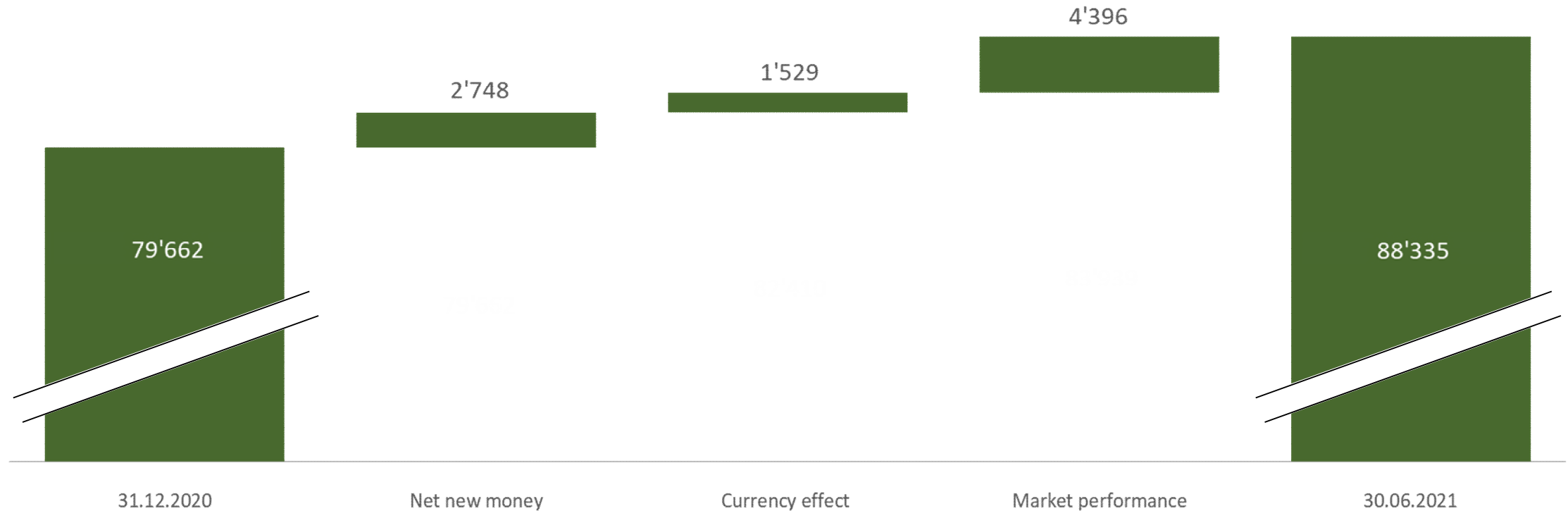
# Continuing growth of mortgage loans in both home markets

## Loans to clients (in CHF billions)



# Client assets increased by 11 percent

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



# Financial strength and stability

in CHF billions	31.12.2019	31.12.2020	30.06.2021
<b>Balance sheet total</b>	22.7	23.6	24.8
<b>Risk-weighted assets</b>	8.4	7.9	8.4
<b>Common equity tier 1 (CET1)</b>	1.6	1.7	1.8
in %			
<b>Tier 1 ratio / CET1 ratio</b>	19.6	21.6	20.8
<b>LCR -liquidity coverage ratio</b>	157	149	147
<b>Leverage ratio</b>	7.1	7.1	6.9
<b>Moody's deposits rating</b>	Aa2	Aa2	Aa2

## Three high-performing market divisions

	Retail & Corporate Banking	Private Banking	Institutional Clients
<b>Business volume</b> (in CHF billions)	21.3	21.0	59.6
<b>Net new money</b> (in CHF millions)	+308	+969	+1'470
<b>Growth of client loans</b> (in CHF millions)	+227	+72	-6
<b>Gross margin</b> (in bps)	66	65	23
<b>Profit before taxes</b> (in CHF millions)	26.9	24.8	33.2

# Conclusion

## 1 Profitability

- ◆ Net profit increased by 18 percent
- ◆ Enhanced earnings quality
- ◆ Cost/income ratio on target at 65 percent

## 2 Growth

- ◆ Business volume over 100 billion
- ◆ Record levels with mortgage volumes and client assets under management
- ◆ Net new money inflows confirm positive trend

## 3 Stability and security

- ◆ Tier 1 ratio of 20.8 percent
- ◆ Moody's deposits rating Aa2
- ◆ Scope for further growth ambitions

# StepUp2020 strategy

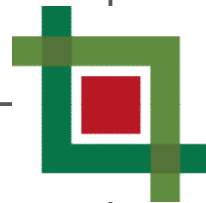
# StepUp2020 strategy

**Growth**

**Profitability**

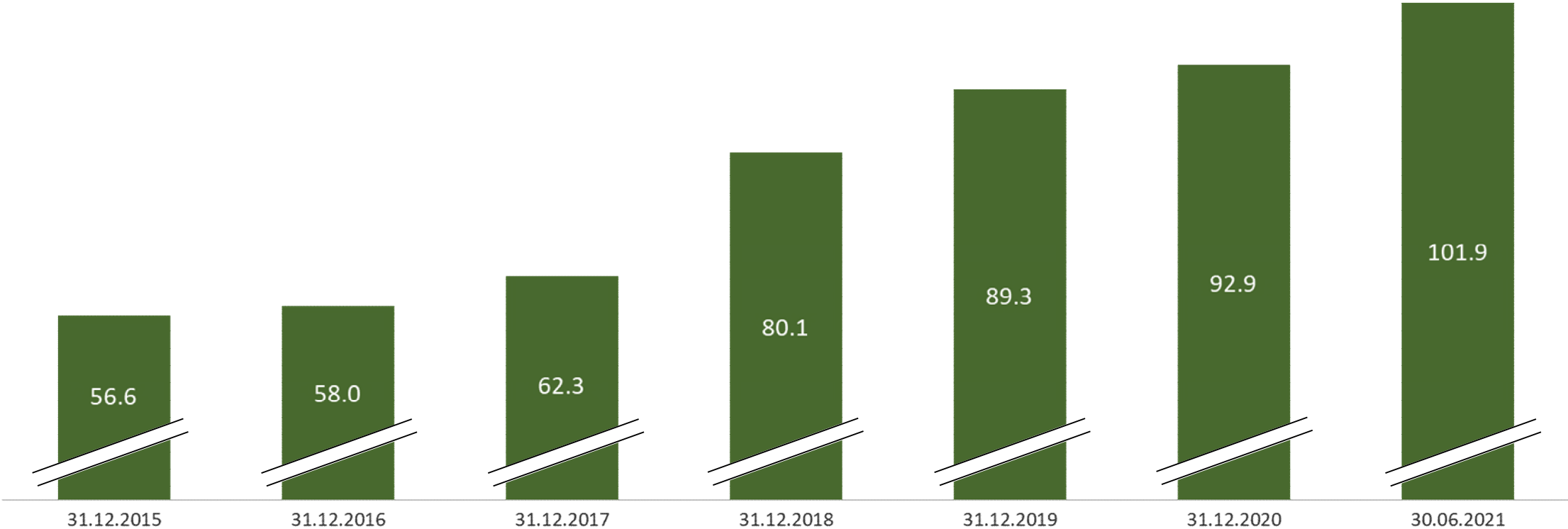
**Innovation**

**Excellence**



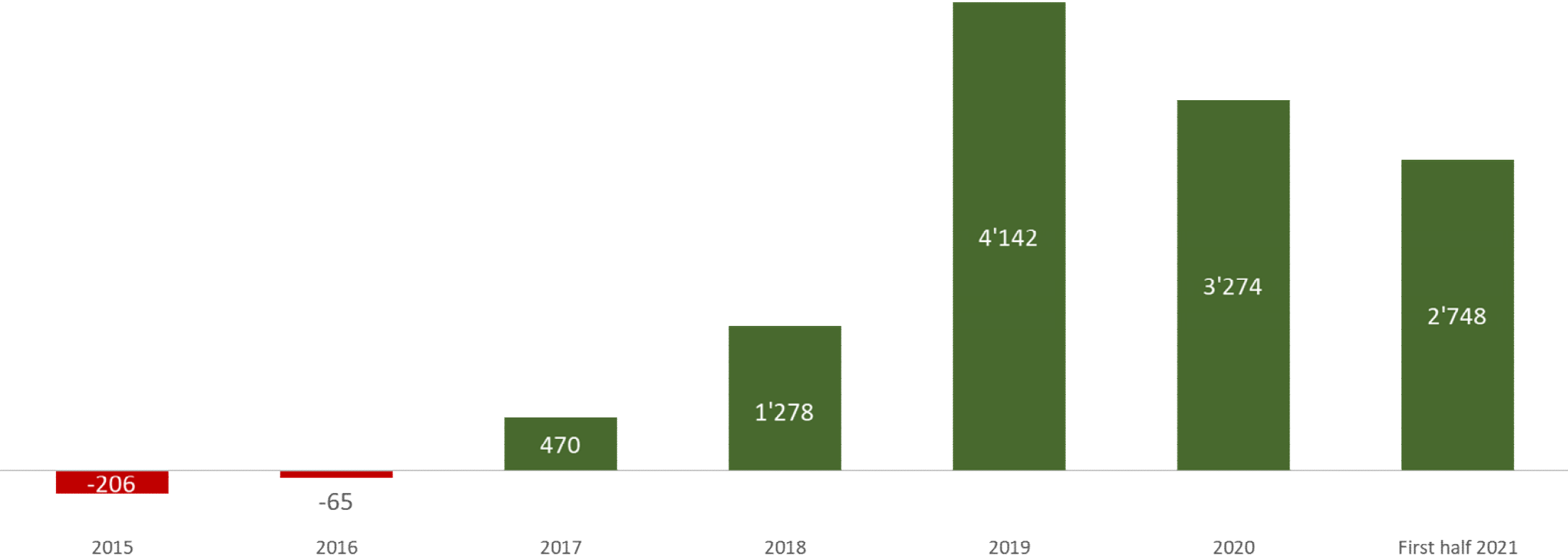
# Record value for business volume

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



# Inflows at all market divisions and booking centres

Development of net new money (in CHF millions)



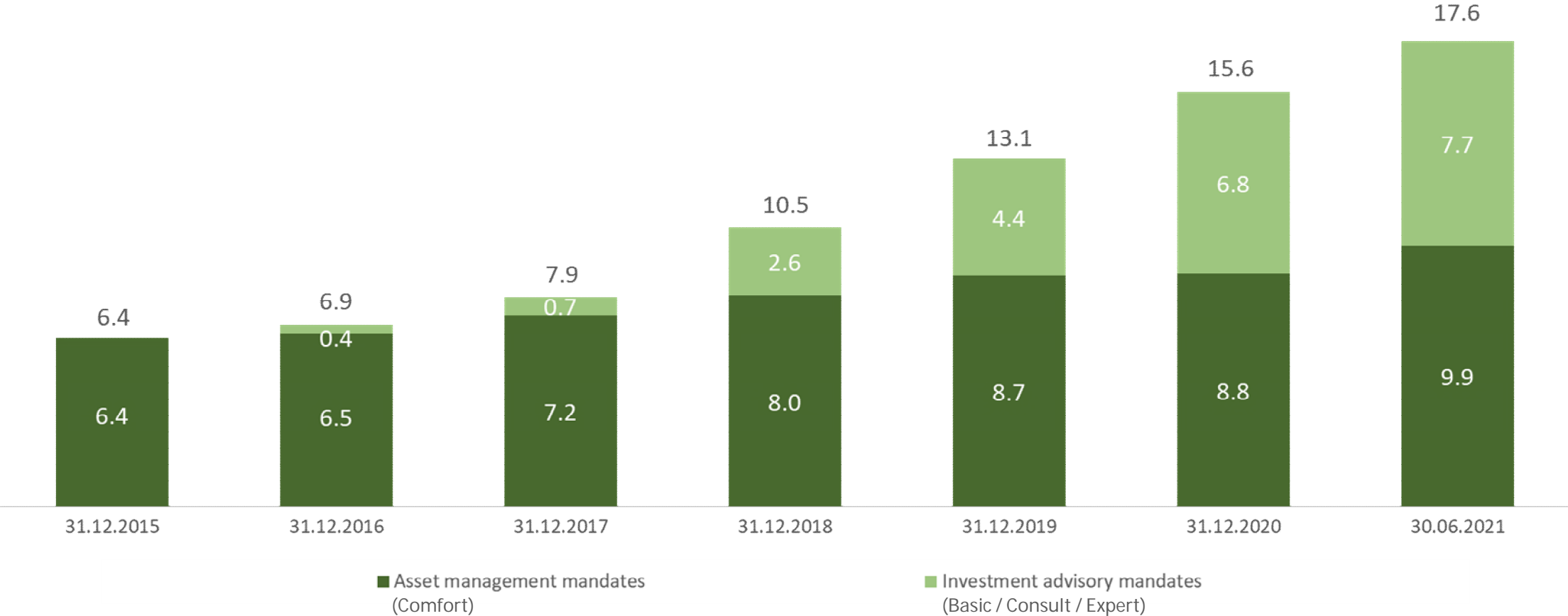
# Growth offensive in Austria

- ◆ Referral deal with Credit Suisse
- ◆ New business base in ideal location of Salzburg
- ◆ Growth potential in western Austria and southern Germany



# Higher profitability thanks to innovative products

LLB Invest (in CHF billions)



# Sustainability in the future



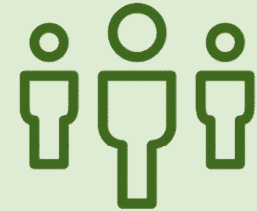
**Offering**

- ◆ Range of investment funds converted to sustainability



**Expertise**

- ◆ Continual training of staff



**Advice**

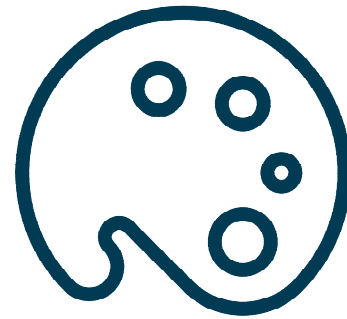
- ◆ Competent advice on sustainability issues

# Outlook 2021

# Priorities 2021



Sustainable, profitable growth and strict cost management



Expansion of sustainable product range



Announcement of new corporate strategy

# Q&A

# Contact and financial calendar

## Contact

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## Financial calendar

### **Presentation of follow-up strategy**

Wednesday, 27 October 2021 (after stock exchange close)

### **Investors Day**

Thursday, 28 October 2021

### **30th Annual General Meeting of Shareholders**

Friday, 6 May 2022

#### **Disclaimer**

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# Thank you



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Landesbank<sup>1861</sup>

Tradition meets Innovation.