

# 2022 Annual Business Result



Media and analyst conference of the LLB Group – 27 February 2023



# Agenda

Introduction

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Georg Wohlwend, Chairman BoD

Financial result 2022

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Christoph Reich, Group CFO

ACT-26 strategy and outlook

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Gabriel Brenna, Group CEO

Q&A

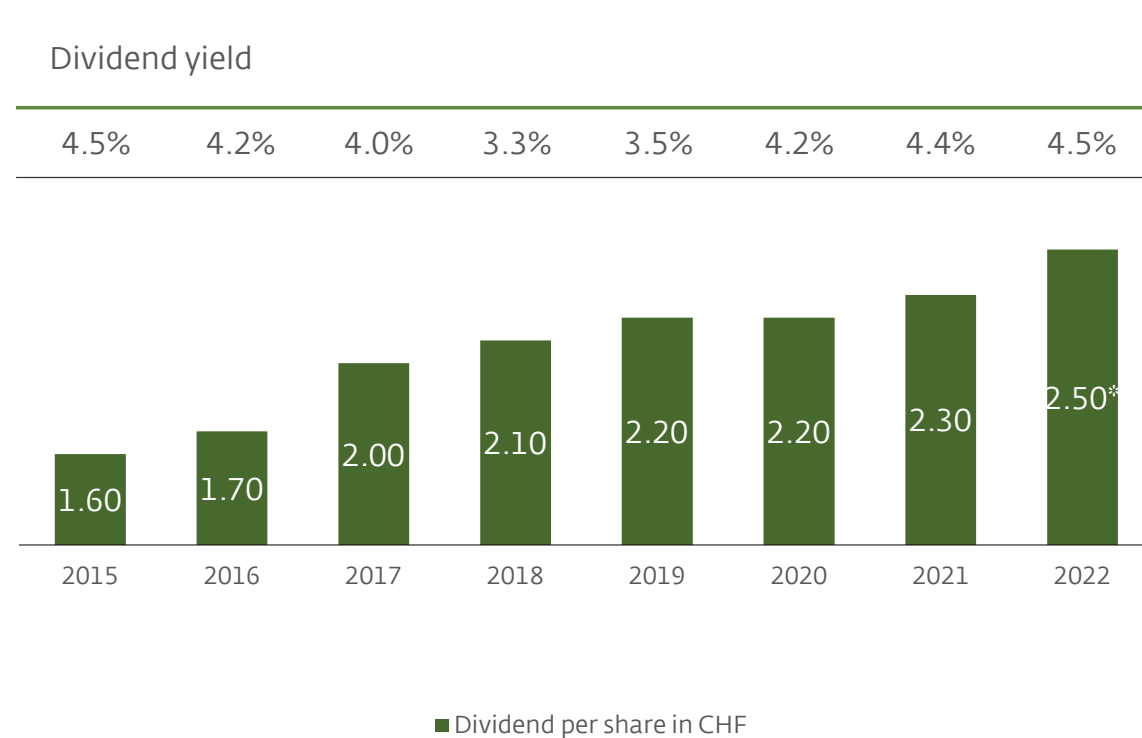
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# LLB Group successful in challenging market environment

- ◆ Successful start of new ACT-26 strategy period
- ◆ Continuing dynamic growth
- ◆ Increased profit in spite of difficult market environment



# Sustainable, attractive dividend policy



**Attractive and sustainable dividend development**

**> 50 per cent distribution ratio of Group net profit**

**Strive to continually increase the dividend**

\* Proposal of the Board of Directors to the General Meeting of Shareholders of 5 May 2023

## Proposals for election to the Board of Directors



**Dr. Nicole Brunhart**  
Member



**Dr. Christian Wiesendanger**  
Member

# Financial result 2022

## Group result at a glance

Net new money

CHF 3.6 billion  
(+3.9 %)

Group net profit

CHF 149.4 million  
(+8.4 %)

Cost Income Ratio

64.0 %  
(-1.8 pp)

Net new loans

CHF 0.8 billion  
(+5.5 %)

Business volume

CHF 98.4 billion  
(-6.9 %)

Tier 1 ratio

19.7 %  
(-0.6 pp)

# Diversified earnings structure

## Operating income (in CHF millions)

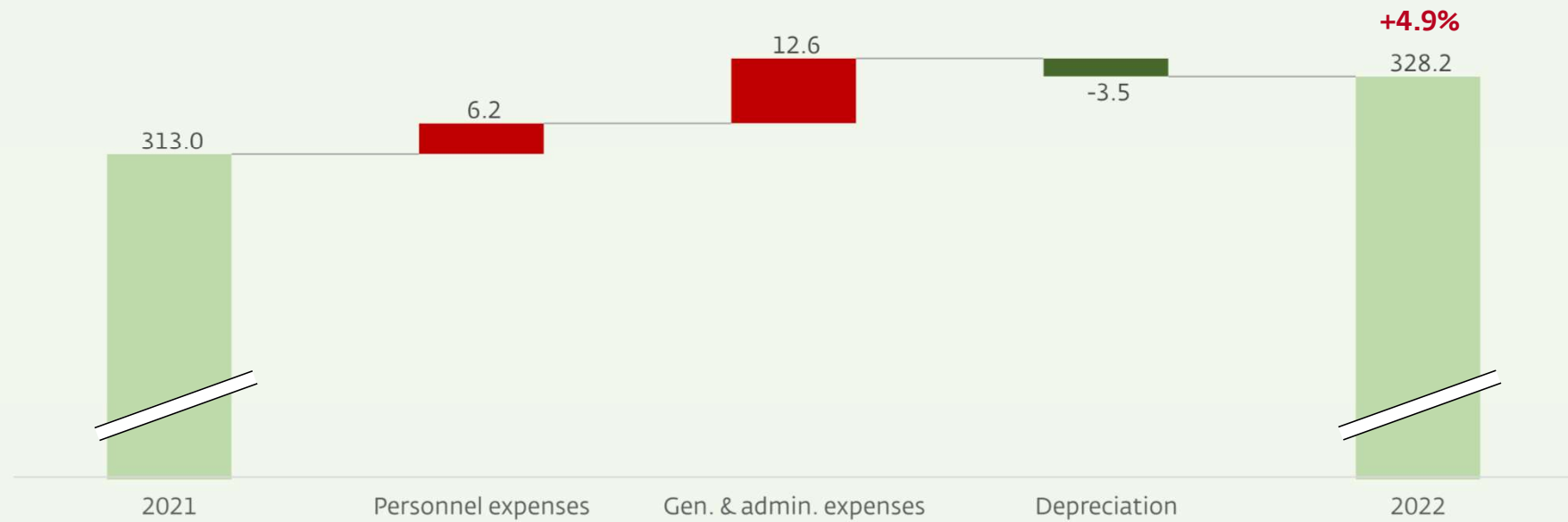


\*contains valuation of interest rate swaps on the reporting date and price gains with financial investments

\*\* Net allocation of provisions for expected credit losses in 2022 of CHF 2.7 million, previous year net release of CHF 2.5 million

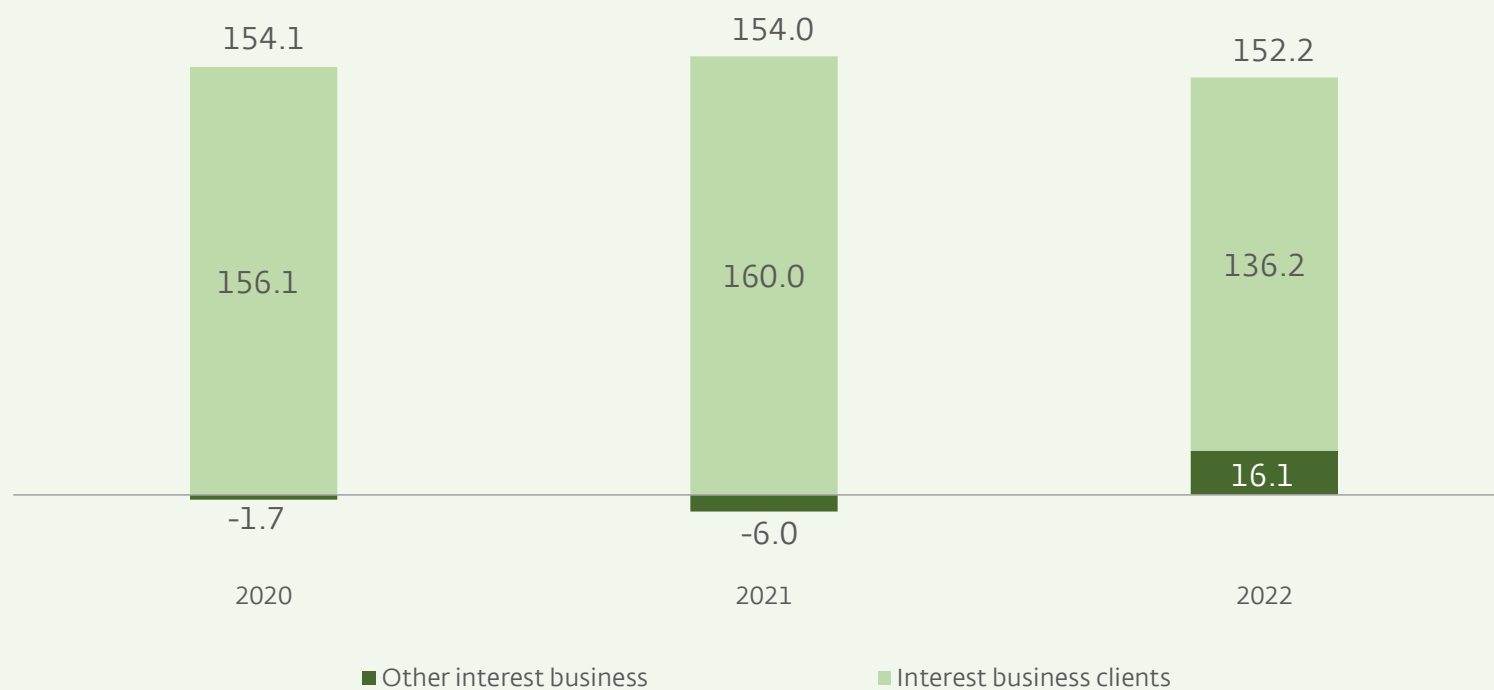
# Investments in new ACT-26 strategy

## Operating expenses (in CHF millions)



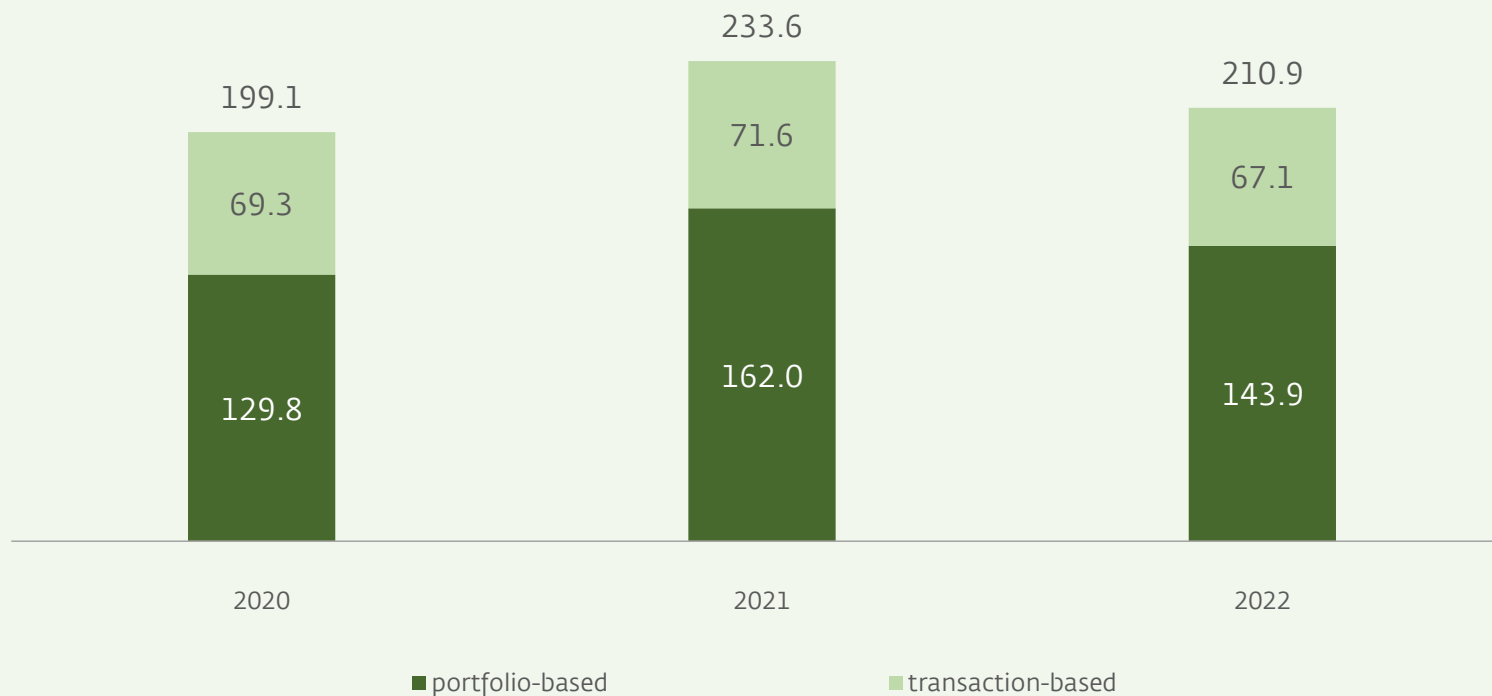
# Stable interest business

Interest income before expected credit loss expense (in CHF millions)



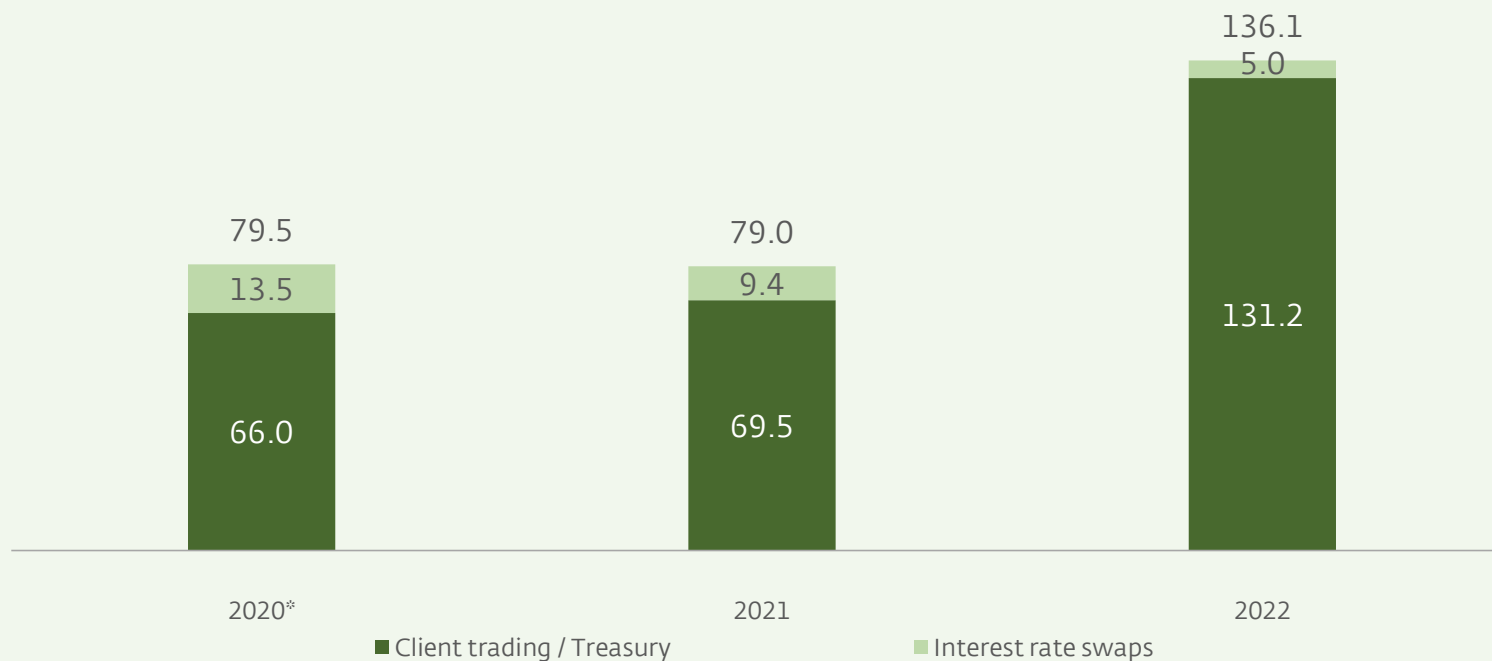
# Performance-dependent decrease in commission business

Net fee and commission income (in CHF millions)



# Trading income benefits from increased foreign currency interest rates

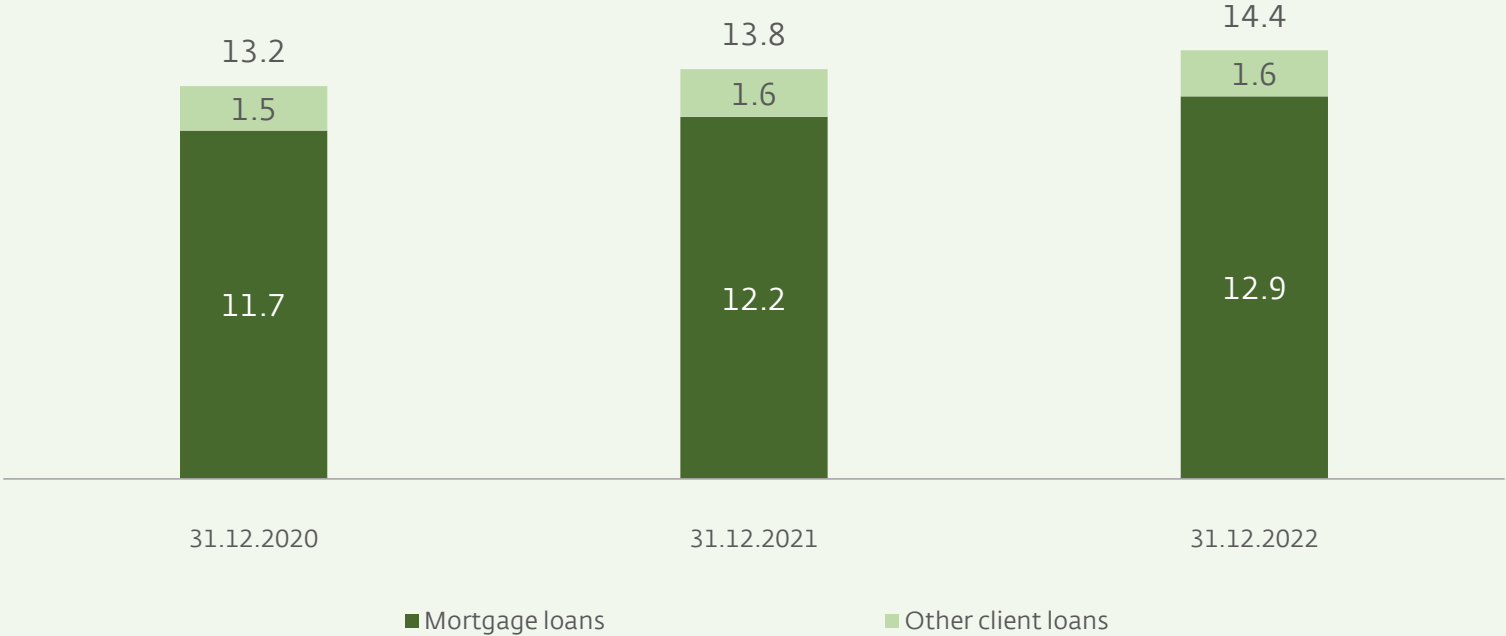
## Net trading income (in CHF millions)



\* Client trading / Treasury adjusted to consider one-time valuation effect of CHF 4.8 million

# Growth of mortgage loans in both home markets

Loans to clients (in CHF billions)



# Robust organic growth

Development of assets under management (in CHF millions)



# Financial strength and stability

in CHF billions	31.12.2020	31.12.2021	31.12.2022
<b>Balance sheet total</b>	23.6	25.1	25.2
<b>Risk-weighted assets</b>	7.9	8.9	8.5
<b>Common equity tier 1 (CET1)</b>	1.7	1.8	1.7
in %			
<b>Return on equity</b>	5.3	6.3	7.2
<b>Tier 1 ratio / CET1 ratio</b>	21.6	20.3	19.7
<b>Liquidity coverage ratio (LCR)</b>	149	148	162
<b>Leverage Ratio</b>	7.1	7.0	6.4
<b>Moody's deposits rating</b>	Aa2	Aa2	Aa2

## Two well-balanced market divisions

	Retail & Corporate Banking	International Wealth Management
<b>Business volume</b> (in CHF billions)	33.0	65.2
<b>Net new money</b> (in CHF millions)	+1'022	+2'463
Growth rate (p.a. in %)	+5.1	+3.4
<b>Net new loans</b> (in CHF millions)	+919	-131
Growth rate (p.a. in %)	+7.2	-11.5
<b>Employees</b> (full-time equivalents, in positions)	248	246
<b>Profit before taxes</b> (in CHF millions)	90.2	98.5

# Conclusion

## Growth



- ◆ Robust organic growth
- ◆ Risk-conscious growth with mortgages
- ◆ Negative market performance has adverse effect

## Efficiency



- ◆ Operating income over 500 million Swiss francs
- ◆ Group net profit up by over 8 per cent
- ◆ Improved efficiency: Cost Income Ratio below 65 per cent

## Security



- ◆ Tier 1 ratio of 19.7 percent
- ◆ Moody's deposits rating Aa2
- ◆ Scope for further growth ambitions

# ACT-26 strategy and outlook



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# ACT-26

## ACcelerate

We will **accelerate** our  
previous **growth**.

## Transf<sup>o</sup>rm

We will become more **client-**  
**focused, efficient** and  
**sustainable**.

## Dual positioning reflects the strength of the LLB Group








**#1 in Liechtenstein  
and the region**



**A secure and sustainable  
international private bank**

## ACT-26 objectives

Core element	Objective		Actual status 2022	
Growth	Net new money	> 3 % p.a.	3.9 %	
	Net new loans	> 3 % p.a.	5.5 %	
Efficiency	Cost Income Ratio in 2026	65 %	64.0 %	
Sustainability	Net zero CO <sub>2</sub>	2040	On course	
Security	Tier 1 ratio	> 16 %	19.7 %	

## Successful public purchase offer to shareholders of Bank Linth



- ◆ Increase of share stake to 100 per cent
- ◆ About one third of Bank Linth shareholders have become LLB shareholders
- ◆ Delisting of Bank Linth shares in December 2022
- ◆ Bank Linth as retail bank is an important pillar of the LLB Group

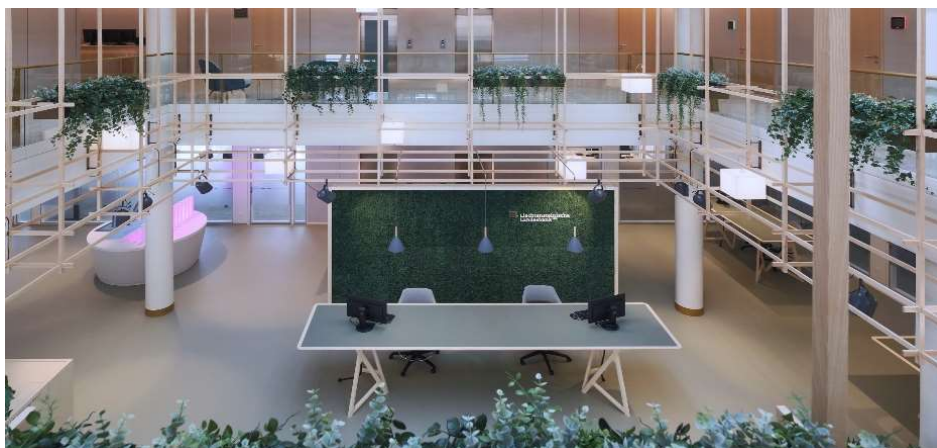
## LLB.ONE programme successfully launched



- ◆ **Investments** CHF 100 million by 2026
- ◆ **Group Digital Transformation** with about 35 employees
  - ◆ **Agile** working methods initially set up
    - ◆ Five **Value Streams defined**

# Sustainability with impact

## Sustainability of banking operations



- ◆ Climate-neutral bank since 2021
- ◆ Green electricity in domestic markets
- ◆ Biogas instead of conventional gas
- ◆ Launching of “Green Teams”

## Sustainability of product portfolio

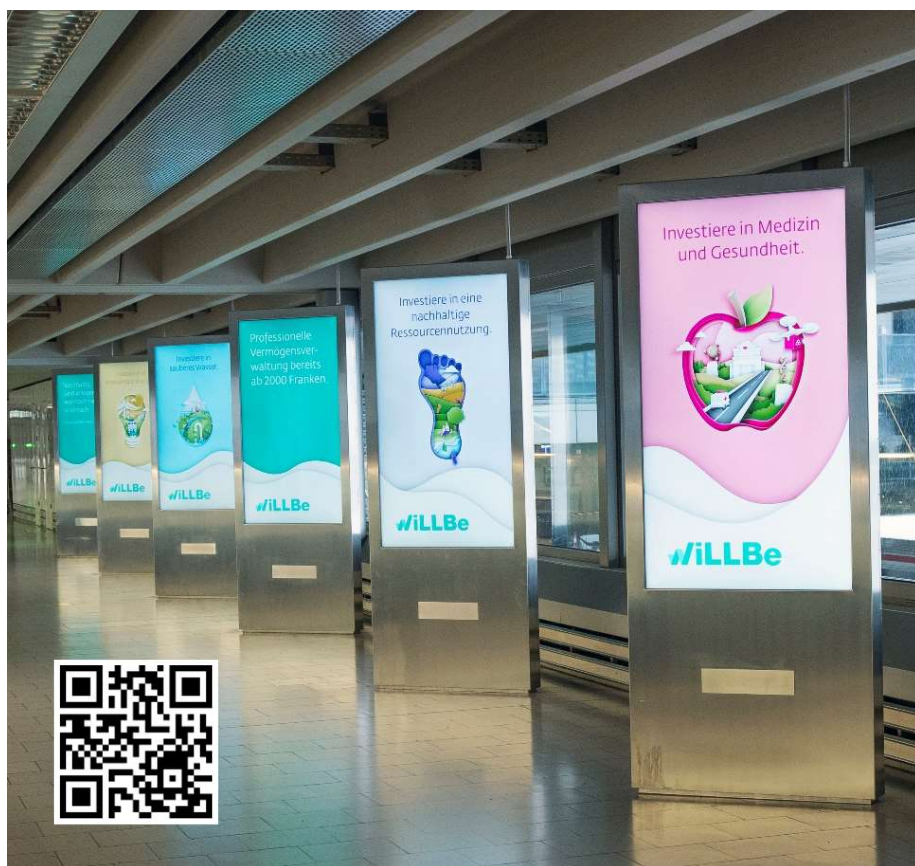


- ◆ Complete alignment of investment advice and asset management offers with sustainability
- ◆ Launching of new Impact Funds (dark green and Art. 9 EU disclosure directive)

# LLB Group as member of leading sustainability initiatives and organisations

								
	Consideration of ESG aspects in investment decisions	Alignment of business strategies with SDGs and Paris climate agreement	Credit / investment portfolios by 2050 to net zero	Consideration of universal ethics standards in corporate governance	Commitment to early attainment of Paris climate goals before 2040	Accounting method to determine/report GHG in asset categories	Largest sustainability network in Switzerland	State-of-the-art climate reporting standard
<b>Year joined</b>	2020	2021	2021	2021	2022	2022	2022	2022

# wiLLBe – the first app for sustainable asset management



## Digital and sustainable asset management

- Asset management** ➤ First purely digital asset management system focused on sustainable impact investing in Switzerland, Liechtenstein and Germany
- SDGs** ➤ Investments in 7 themes across the 17 UN sustainable development goals (SDG)
- Impact** ➤ Measurable impact across temperature trail, CO<sub>2</sub>-emissions and energy consumption
- Small investment** ➤ From CHF 2'000.- investments in a broadly diversified investment portfolio thanks to use of fractional shares
- Donations** ➤ Voluntary donations to selected NGOs
- Fees** ➤ Low fees of 0.49% p.a.

## Positive outlook for 2023



Diversified, robust business model



Clear, forward-looking strategy



Operatively prepared for further growth

# Q&A

# Contact and financial calendar

## Contact

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## Financial calendar

**Publication of 2022 annual report**

Thursday, 23 March 2023

**31th Annual General Meeting of Shareholders**

Friday, 5 May 2023

**Ex-dividend date**

Tuesday, 9 May 2023

**Dividend payout date**

Thursday, 11 May 2023

**Presentation of 2023 interim financial reporting**

Thursday, 24 August 2023

# Thank you



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Tradition meets Innovation.