

Responsibilities for the economy, society and environment

The LLB Group is a reliable partner for the economy, society and the environment. Sustainability is one of the principles guiding our company's actions and is also reflected in our values. At the same time, a broad social commitment has always been an essential part of our corporate identity.

Performance mandate and sustainability

Liechtensteinische Landesbank, whose roots go back almost 160 years, understands the special responsibility it has for taking a long-term approach. Sustainable business management is part of its performance mandate and its corporate identity. We have a legal obligation to our majority shareholder, the Principality of Liechtenstein, to promote Liechtenstein's economic development while at the same time taking ethical and environmental factors into account. We fulfil this special obligation by offering a diverse portfolio of products and services, applying environmental standards to our offerings, our infrastructure and procurement, and engaging broadly in society.

Sustainability as a strategic goal

The LLB Group is convinced that sustainability is not only indispensable for preserving an intact environment and society, but is also increasingly becoming a decisive competitive factor.

The pillars of our sustainability strategy

As a financial institution with a long-term orientation, we are committed to leaving an intact environment and stable social conditions to the coming generations. Our guiding principles in the context of sustainability have four central elements:

- ♦ **Corporate management** – Our values form the basis for the ethical corporate management of our company and the integrity of the actions of all employees. We are perceived in the market as a secure, sustainable and innovative bank.
- ♦ **Product range** – Sustainability is an integral part of our banking products. We inform our clients about our offerings in a fully transparent manner in a personal consultation.
- ♦ **Employees** – In the area of human resources, we continually promote training and professional education, diversity and the compatibility of family and career. We ensure work processes are sustainable in terms of, among other things, energy use and mobility management.
- ♦ **Commitment** – We participate in industry initiatives and contribute to sustainability in the financial sector. Furthermore, as a corporate citizen, we promote sustainable social and environmental development.

We aim through this strategy to be perceived as a stable, sustainable and innovative bank and to differentiate ourselves clearly from our competitors. However, we are not starting from scratch. For some years now, we have offered our clients sustainable asset management mandates and investment strategies with a special focus on ESG criteria. These describe the three sustainability-related areas of responsibility of companies: **Environment**, **Social** and **Corporate Governance**.

Special products complement our sustainable offering (see chapter "[Sustainability in banking](#)"). For example, in 2020, we launched the LLB Gold Fund, the first Liechtenstein fund that is backed by physical gold and invests in sustainably produced and transported gold. We will gradually bring our product range into line with our sustainability strategy. We have used the Global Reporting Initiative (GRI) Standards as the framework for our sustainability reporting for many years.

Governance

To reflect the growing importance of the sustainable finance megatrend, and that not only in the investment field, we revised our criteria for sustainable corporate governance in the reporting year. We decided to establish a Group-wide Sustainability Council and to create the position of a Sustainability Officer. In future, they will coordinate and lead sustainability efforts across the whole LLB Group. In a transitional phase, set to last until summer 2021, this work will be carried out as part of a Group project.

Roadmap

Based on the new sustainability strategy and responsibilities, LLB will implement an ambitious roadmap over the next few years focused on the following areas:

Regulations

Financial institutions face a host of sustainability-related regulations driven by the EU Commission, the overarching aim of which is to slow down global warming. In order to achieve this, global capital flows are being redirected towards more sustainable investments. The LLB Group is following developments closely and making appropriate adjustments in its areas of activity (see section "[Regulatory framework and developments](#)").

Sustainable asset management and funds

With regard to its products, the LLB Group has developed a comprehensive definition of sustainability under which it understands responsible investing with high ethical, social and environmental standards. For many investors, the question of impact, i.e. the direct effects of an investment, is also becoming increasingly important. We provide clients with active and competent support in identifying appropriate investments (see chapter "[Sustainability in banking](#)").

Further development of staff competences

Our employees are a key factor in the success of our sustainability strategy. We offer them appropriate training or professional education so as to stay up to date with changing regulatory requirements and our product range (see chapter "[Employees](#)").

Commitment and transparency

Our membership of international financial initiatives such as the UN Principles for Responsible Investing (UN PRI) underpins our commitment to greater sustainability in finance (see chapter "[Industry initiatives and corporate citizenship](#)").

Material topics

Sustainability to the LLB Group means that it creates long-term added value for its clients, shareholders, employees and other stakeholder groups. To provide the best possible transparency for our stakeholder groups and to meet the requirements of Liechtenstein's Persons and Companies Act (PGR) for corporate social responsibility (CSR) reporting, LLB's sustainability reporting is prepared in accordance with the Global Reporting Initiative (GRI) Standards. The thematic focus of our sustainability reporting is based on the materiality matrix from 2019. To ensure our reporting meets the needs of our key stakeholder groups and to evaluate strategically relevant topics, LLB carried out a comprehensive materiality analysis, the last in 2019. The material topics were determined on the basis of the requirements of Liechtenstein's Persons and Companies Act (PGR) and the GRI Standards. The relevance of potentially material topics was evaluated from different perspectives, i.e. at workshops with LLB managers and through interviews with representatives from key stakeholder groups, internal analysis and expert opinion. Our approach is detailed in the Annual Report 2019 (GRI 102 - 46, 102 - 47).

Materiality matrix

Relevance for stakeholders	extremely high	<ul style="list-style-type: none"> ▪ Fair marketing and fair competition 	<ul style="list-style-type: none"> ◆ Client focus ◆ Dedicated, hard working employees ◆ Ethics and integrity 	<ul style="list-style-type: none"> ◆ Economic performance ◆ Compliance ◆ Risk and reputation management ◆ Digitalisation and data protection ▪ Prevention of financial crime ▪ Corporate governance and company structure ● Tax compliance
	high	<ul style="list-style-type: none"> ▪ Workplace health promotion 	<ul style="list-style-type: none"> ◆ Attractive working conditions ▪ ESG integration in asset management ● Sustainable products and services ● Economic role and regional employer 	<ul style="list-style-type: none"> ▪ Diversity and equal opportunity
	medium	<ul style="list-style-type: none"> ● Energy consumption and CO₂ emissions 		<ul style="list-style-type: none"> ▪ Mobility management ● Social and political commitment
		medium	high	extremely high

Impact on sustainable development

Relevance for business: ● medium ■ high ◆ extremely high

In dialogue with stakeholder groups

For the LLB Group, sustainability as a corporate responsibility also means meeting the expectations of the different internal and external stakeholder groups. We are in regular dialogue – personally, by electronic media, or at information meetings, working sessions or conferences – with the different stakeholders who affect the course of our business and over whom we have influence.

An important instrument is the LLB Group's annual report, which has contained a stakeholders report since 2015. Through it, we highlight our proactive focus on sustainability and social responsibility. For sustainability reasons, we do not print our annual report.

The stakeholder groups are in particular:

- ◆ **Clients:** Their needs are uppermost at every point of contact. Using various channels, we determine the needs and level of satisfaction of our clients. We address them directly through our client advisers as well as more broadly through our marketing communication, our websites and our social media channels.
- ◆ **Principality of Liechtenstein:** The Principality of Liechtenstein is our majority shareholder. We exchange views with representatives of the Landtag (Parliament) and the Government on a regular basis (see chapter "[Corporate governance](#)").
- ◆ **The public:** All our branding and communication measures are high-profile. A key trust-building element in this regard is an intensive exchange with media representatives (see sections "[Media relations](#)").
- ◆ **Partners and non-governmental organisations (NGOs):** Through our membership of associations and organisations, we maintain a dialogue with partners and NGOs (see chapters "[Institutional Clients](#)" and "[Responsibilities for the economy, society and the environment](#)").
- ◆ **Employees:** We reach our employees over our intranet, which is continuously updated, and through our "InSight" staff magazine. There are various events where employees have the opportunity to personally meet and discuss with members of the Group Executive Board (see chapter "[Employees](#)").

Investor relations

As a publicly listed company, we are obliged to publish share-price-relevant facts by means of media communiqués. We inform shareholders, clients, employees and the public simultaneously, comprehensively and regularly about our business performance, value drivers as well as the implementation of our strategy and provide them with an overview of our key financial and operating figures. We maintain an open dialogue with analysts and investors in order to be able to report on the

course of business on an ongoing basis. The aim is to ensure that the price of the LLB share represents the fair value of the company (see chapter "The LLB share").

Media relations

Irrespective of the ad hoc information and the annual media and analyst conference, we are in constant contact with the media and business journalists in our market regions. We make every effort to answer their questions in a transparent and timely manner. The LLB Group was the subject of around 900 media articles in 2020.

Public affairs

Only by constantly seeking dialogue with different decision makers are we able to voice our opinion and be heard. LLB is therefore in regular contact with opinion leaders and selected representatives from the world of politics and economics. We are a member, too, of the key industry associations and organisations such as the Liechtenstein Chamber of Commerce and Industry and the Bankers Association (see chapter "Institutional Clients"). We exchange views with the Liechtenstein Financial Market Authority (FMA) on a regular basis. LLB is obliged to report to its majority shareholder, the Principality of Liechtenstein, on the course of business. Against this backdrop, there is a meeting twice a year of the senior management of the LLB Group and the Liechtenstein Head of Government. Once a year, the Group Board of Directors and the Group Executive Board invite the entire Government to a roundtable discussion.

Public relations

We use various channels to engage with the general public. With regular market commentaries and reports in local print media, we prove our expertise in financial matters. We normally strengthen our relationship with the local population by organising or sponsoring various events, but this was possible only limited during the reporting year due to the coronavirus situation.

Digital communication channels

The LLB Group has been consistently investing in the expansion of its digital communication channels for a number of years now. It operates a total of twelve different web portals and microsites that are centrally managed through the same content management system and are in conformity with the brand. We also reach our clients with selected information through mobile and online banking. In addition, we are in direct contact with clients over social media.

This page contains information on the following GRI disclosures: 102-40, 102-42, 102-43, 102-44.

Values and corporate management

Value-based action

The values of "integrity", "respectfulness", "excellence" and "pioneering" (see chapter "Strategy and organisation") form the basis for the corporate management of the LLB Group. Our Code of Conduct provides a reliable guiding framework for the value-based and responsible actions of all employees (see chapter "Employees"). We are guided by the needs of our clients and pay particular attention to meeting their security needs and our data protection standards for the use of the various distribution channels at all times (see chapter "Finance and risk management").

Corporate culture and value basis

The LLB Group's vision is encapsulated in the motto: "We set standards for banking with values." Our managers and employees are motivated to act in line with our values of integrity, respectfulness, excellence and pioneering. By living these values, our managers firmly anchor our value culture throughout the organisation. Our employees also learn more about our value basis through various "Live the brand" measures.

To keep up with changing markets and client needs, we rely on employees who are motivated to think for themselves and have the courage to initiate improvement processes. As part of the "Cultural journey" project, we encouraged our employees again during the reporting year to bring in ideas, to question their actions and to exchange views. The core topics of the cultural journey were addressed and developed further on the intranet, at employee appraisals and through offerings for managers. The topic of "Ownership and delegation" was an element in the target agreements for all employees. For every employee, what issues they champion and which overarching topics they take ownership of and promote was recorded.

Regulatory framework and developments

LLB considers it a top priority in a highly regulated business environment to closely monitor ongoing regulatory developments and, where possible and expedient, to play an active part in shaping developments as well as to prepare for the implementation of new requirements in good time. All of our employees contribute to the implementation of regulatory requirements and thus make an essential contribution to the success of the business and to the good reputation of LLB. The most important regulatory requirements and developments from the reporting year are summarised below. We have focused primarily on regulations that were of particular importance in the reporting year due to their topicality. Other regulatory requirements that are of relevance to the LLB Group can be found in previous annual reports.

Implementation of regulatory frameworks 2009–2020

2009

- ♦ 3rd EU Anti-Money Laundering Directive
- ♦ Liechtenstein Declaration

2013

- ♦ AIFMG Act
- ♦ Complete revision of DDA

2015

- ♦ 4th EU Anti-Money Laundering Directive
- ♦ Refinement of c-border framework
AEOI: Agreement signed by Liechtenstein / EU

2016

- ♦ UCITS V
- ♦ Complete revision of IUA
- ♦ Implementation of AEOI

2017

- ♦ Revision of Due Diligence Act (DDA)

2018

- ♦ Markets in Financial Instruments Directive (MiFID II)
- ♦ General Data Protection Regulation (EU) (GDPR)
- ♦ EU Mutual Assistance Directive

2019

- ♦ Deposit Guarantee Schemes Directive (DGSD)
- ♦ EU Payment Services Directive (PSD2)

2020

- ♦ Implementation project FinSA / FinIA Switzerland

Financial centre strategy

In 2019, the Government published a comprehensive financial centre strategy designed to further enhance the competitiveness of the Liechtenstein financial centre. It reinforces that the path of tax compliance should continue to be pursued. The same applies to compliance with international rules and standards. The focus of the strategy is on unrestricted and equal access to markets and improving the framework conditions for innovative enterprises. In addition, the Government has set four strategic goals in order to meet international expectations in the area of combating money laundering and terrorist financing. Dialogue with key partner countries is to be intensified. Membership of international bodies such as the International Monetary Fund (IMF) is thus to be explored. The Government also attaches great importance to digitalisation and blockchain technology. With the Blockchain Act (Token and TT Service Providers Act, TVTG), Liechtenstein is the first country in the world to develop a legal basis for the token economy.

International tax topics

Disclosure of cross-border tax planning arrangements

According to the OECD, the lack of comprehensive and relevant disclosure about potentially aggressive or abusive tax planning strategies is one of the major challenges facing tax authorities. In this context, the EU, with the amendment to the EU Mutual Assistance Directive (Directive 2011 / 16 / EU – “DAC 6”) which came into effect in 2018, has introduced a disclosure requirement for cross-border tax arrangements directed at EU intermediaries (especially fiduciaries, lawyers, tax advisers and banks).

International cooperation on tax topics

The Principality of Liechtenstein is intent on creating an attractive tax system that takes account of European law and international developments. Hence, the Principality has implemented the international automatic exchange of information with 114 partner or reporting countries since the beginning of 2016. The FATCA agreement with the USA was concluded in 2014.

Plans for a digital tax

The OECD's plans for an internationally unified approach to digital taxation presented in autumn 2019 are not really progressing. It is unclear to what extent they will become more concrete and be realised.

Access to the EU market

Thanks to its membership of the EEA, Liechtenstein has unrestricted access to the internal European market. The internationally oriented fund location benefits in particular from this. It has a legal basis that is focused on clients and investor protection. The investment fund law comprises three pillars: the Act on Certain Undertakings for Collective Investment in Transferable Securities (UCITS Act, 2011), the Law on Alternative Investment Fund Managers (AIFM Act, 2013) and the Investment Undertakings Act (IUA), which was revised in 2016.

Data protection

EU General Data Protection Regulation (EU GDPR)

With the introduction of the EU General Data Protection Regulation, the European Union has harmonised the rules on collecting and processing personal data by companies and public authorities, putting it in a global leadership position. The rules have applied in Liechtenstein, too, since the end of May 2018. LLB has implemented these requirements Group-wide. Content-wise, the EU GDPR provides in particular for the "right to be forgotten", under which a person can have the data controller erase their data from the web. With the one-stop-shop mechanism, a person can notify the data protection authorities in their member state directly of any data breaches, regardless of where the breach occurred. The regulation also includes a right of access for individuals concerning the processing of their personal data and sets out requirements for contractual arrangements in relation to the processing of data by third parties and the transmitting of personal data to EU third countries. LLB has established corresponding rules which are applicable throughout the Group and made the necessary organisational and technical adjustments.

Data protection laws in Switzerland and Dubai (DIFC)

The Swiss Data Protection Act was completely revised in 2020 and partially aligned with the EU GDPR. But it retains its own basic concept. The Federal Council has not yet set the date for the entry into force of the new rules.

In the Dubai International Financial Centre (DIFC), the new Data Protection Law came into force on 1 July 2020. It sets an important benchmark for data protection in the Middle East and largely aligns the legal situation with the EU General Data Protection Regulation, which is gradually becoming an international benchmark.

Protection against money laundering and terrorist financing

Liechtenstein has a zero-tolerance policy towards money laundering and terrorist financing. As a member of the EEA, Liechtenstein has implemented the 4th EU Anti-Money Laundering Directive. The 5th Anti-Money Laundering Directive regulates transparency with regard to beneficial owners as well as risks relating to virtual currencies. It also tightens and harmonises the criteria for assessing high-risk third countries. These international requirements have been implemented domestically through the Due Diligence Act and the Due Diligence Ordinance.

Compliance with international standards

The Financial Intelligence Unit (FIU) serves as the country's central authority for obtaining and analysing information that is necessary to recognise money laundering, predicate offences for money laundering, organised crime and terrorist financing. It represents Liechtenstein in the Committee of Experts on anti-money laundering and terrorist financing in the EU. The current version of the FIU Law of 2017 and the adaptations made to the Due Diligence Act ensure Liechtenstein is fully legally compliant with the international standard.

In 2002, 2007 and 2013/2014, the International Monetary Fund (IMF) and Moneyval (the Council of Europe's Committee of Experts) assessed to what extent the Liechtenstein provisions on anti-money laundering and combating the financing of terrorism meet the standards laid down by the Financial Action Task Force (FATF 40 + 9 Recommendations). The IMF and Moneyval attested positively to Liechtenstein's standards in combating money laundering and financing of terrorism in their last report. Liechtenstein carried out the National Risk Assessments (NRA) in 2016/2017 and updated them in 2020, not least because Moneyval will be conducting its country assessment in autumn 2021 and will be evaluating the effectiveness of measures in preventing money laundering and terrorist financing.

Deposit guarantee schemes and investor compensation

Bank Recovery and Resolution Directive (BRRD)

With the Recovery and Resolution Act (RRA), Liechtenstein has significantly improved its financial stability, in that a statutory mechanism is available to counteract the "too big to fail" risk of large, systemically important banks in a crisis. The EEA country has thus transposed the Directive 2014 / 59 / EU on the recovery and resolution of financial institutions (the Bank Recovery and Resolution Directive (BRRD)) into national law. On 1 January 2017, the Liechtenstein Financial Market Authority (FMA) created an operationally independent organisational unit acting as a resolution authority. Its primary objectives are to avoid significant adverse effects on the stability of the Liechtenstein financial market and to protect client funds and client assets. Systemically important banks in Liechtenstein, of which LLB AG is one, are required to draw up a recovery plan. The recovery plan contains an analysis of measures determined as part of an overall bank stress test that can be taken to restore its financial position under various crisis scenarios.

Deposit Guarantee Schemes Directive (DGSD)

The DGSD requires EEA member states to recognise at least one national guarantee scheme that is responsible for the implementation of the deposit guarantee scheme at banks. All banks must belong to a deposit guarantee scheme which is supervised by a national authority. In Liechtenstein, this function is assumed by the FMA. The new Deposit Guarantee and Investor Compensation Act (DGICA) entered into force in 2019.

In the event of a compensation case, the Deposit Guarantee and Investor Compensation Foundation PCC (EAS) would ensure that the financial consequences for depositors and investors are at least mitigated by covering depositor claims from eligible deposits up to CHF 100'000 and investor claims up to a maximum of CHF 30'000. Eligible deposits are all kinds of account balances as well as call money and time deposits.

Consumer protection

MiFID II / Liechtenstein

The Liechtenstein banking centre and thus also LLB implemented the Markets in Financial Instruments Directive (MiFID II). It simplifies cross-border financial services and allows investment firms, banks and stock markets to offer their services in other EU / EEA member states. Furthermore, they are required to conduct precise client and product analyses as well as disclose information on compensations and commissions. The accompanying Regulation (MiFIR), which has been in force since January 2018, brought significant changes compared to the previously applicable laws. These include the strengthening of investor protection and improving the integrity and transparency of the financial markets. High-frequency trading is subject to regulation and supervisory oversight; position limits in commodities trading are strict. Throughout the EU, consultations at bank branches and consultations by telephone must record and document in a comprehensive manner why a financial product was recommended and how it matches the client's risk profile.

FinSA / Switzerland

In November 2019, Switzerland decided to follow a balanced and modern overall approach to investor protection with the adoption of the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA). A corresponding implementation project is underway. The two acts aim to create a level playing field for financial intermediaries and to improve client protection. The FinSA contains rules of conduct towards clients that financial service providers must comply with. It also provides for prospectus requirements and requires a basic information sheet for financial instruments that is easy to understand. The FinIA essentially standardises the authorisation rules for financial service providers.

Rules of the game in the EU payment systems market

For LLB, the harmonisation and the digitalisation of the European payment systems market are important topics. As an EEA country, Liechtenstein adopted the second EU Payment Services Directive (PSD2) in 2019. The revised Payment Services Act came into force on 1 October 2019. The PSD2 introduces new information and liability rules for payment service providers that are aimed at improving customer protection. It also requires strong customer authentication and limits the scope of previous exemptions. In this connection, two new types of financial intermediary, namely the payment initiation

service provider and the account information service provider, have been created. At LLB, the adjustments required to implement the PSD2 have been made.

EU Mortgage Credit Directive

The Directive 2014 / 17 / EU on credit agreements for consumers relating to residential immovable property has been in force in the EU member states since 2014. It creates a single legal framework for the granting of mortgage credit agreements to consumers in the internal European market. As a member of the EEA, Liechtenstein is obliged to transpose this directive into national law. This will happen with the Mortgage and Real Estate Credit Act, which will enter into force on 1 April 2021. The directive serves to protect consumers taking out loans to buy residential property. Under the directive, the banks are subject to various obligations when granting a loan. These include, in particular, (pre-)contractual information requirements, creditworthiness assessment requirements and qualification requirements for bank employees involved in granting loans.

LLB has implemented the act in a timely manner. The provisions have been incorporated into the relevant processes, with the consultation process being particularly affected.

Capital adequacy requirements

Revision of EU banking regulation

With the Capital Requirements Regulation (CRR) and the revised Capital Requirements Directive (CRD IV), a first part of the Basel III standard was implemented in Europe in 2014. The CRR and the CRD IV entered into force in Liechtenstein in February 2015. The new EU banking package, which was published by European legislators on 20 May 2019, implements further key elements of the Basel III framework, which was essentially completed at the end of 2017, at European level through amendments to the CRR (CRR II) and CRD (CRD V). The CRR II is applicable in the EU from June 2021, while the CRD V had to be implemented by the EU member states by 28 December 2020. It is expected to come into force in Liechtenstein in 2022. With the Bank Recovery and Resolution Directive (BRRD), European legislators have introduced minimum requirements for the recovery and resolution of credit institutions. The BRRD was transposed in Liechtenstein in a timely manner through the Recovery and Resolution Act (RRA). Minimum requirements for own funds and eligible liabilities (MREL) are defined within the framework of the BRRD in a move to increase the liabilities that could be bailed in in the event of resolution (bail-in capital). This should increase the resolution capacity and reduce the risk of having to resort to public funds for resolving banks. Within the framework of the BRRD II, which is part of the current EU banking package, the regulations on resolution and MREL are being updated and expanded. The implementation of the BRRD II and the determination of the MREL are still pending in Liechtenstein.

Transparency Regulation and Taxonomy (Regulation in the sustainability sector)

The EU wants to redirect capital flows towards sustainable investments and anchor sustainability in risk management. These objectives stem from the Sustainable Finance Action Plan adopted by the European Commission in March 2018. This affects LLB AG, LLB Austria, as well as other institutions in Liechtenstein and Switzerland. The background to this is the gradual tightening of requirements in the European Economic Area (EEA) for regulatory realignment to secure EU market access for Swiss financial service providers as well as the growing expectations of all market participants. The LLB Group is following developments closely and taking the steps that are necessary to meet the new requirements. For instance, in the second half of 2020, the "Sustainability" Group project focused, on the one hand, on strategic aspects and, on the other, on regulatory developments in the EU, the EEA and Switzerland. Specifically, the necessary preparatory work was undertaken to implement the requirements of the regulation on sustainability-related disclosures in the financial services sector (SFDR) and the new requirements of the so-called EU Taxonomy Regulation.

Economic value creation

Stability

Liechtenstein is one of only eleven countries worldwide with an AAA rating. In November 2020, the rating agency Standard & Poor's (S&P) reconfirmed its best rating for the country's creditworthiness. According to its report, Liechtenstein retained its top rating primarily on the strength of the healthy state of its public finances. It is considered a stabilising factor especially in difficult times and provides the necessary room for manoeuvre. As a result of the Covid-19 pandemic, Standard & Poor's expects Liechtenstein's economy to slow down significantly, but that its high reserves and income situation will stand it in good stead for the future.

The stable financial and banking centre with strong international connections contributes substantially to the positive position it is in. Almost a quarter of Liechtenstein's gross domestic product is generated by the financial sector.

For the LLB Group, having a very solid capital base is also part of its identity. We exceed the core capital ratio of 13 per cent required under Basel III regulations since 2019 and have done so for many years (see chapter "[Finance and risk management](#)").

The LLB share

The LLB share is a worthwhile investment. Investors have continued to profit from a sustainably attractive dividend yield for years.

Market capitalisation

The LLB share has been listed on the Swiss stock market, SIX Swiss Exchange, since 1993 under the symbol LLBN (security number: 35514757) and assigned to the "International Reporting Standard" segment. In 2020, around 1.9 million LLB shares (2019: 2.2 million) were traded on the SIX Swiss Exchange, corresponding to 6.2 per cent (2019: 7.2 %) of total shares issued. With 30.8 million registered shares issued, the market capitalisation of Liechtensteinische Landesbank AG stood at CHF 1.6 billion (2019: CHF 1.9 billion) as at 31 December 2020. The LLB share has been listed in the MSCI World Small Cap Index since 2018.

Shareholder structure

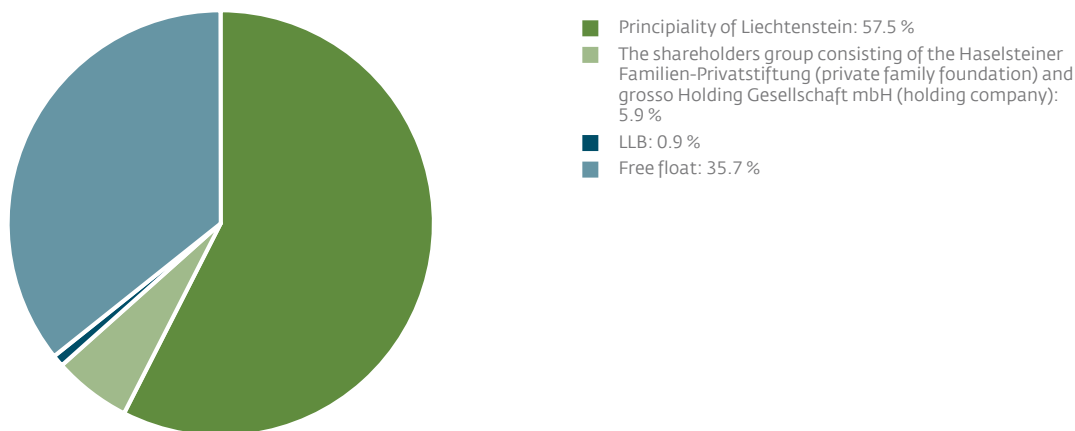
The Principality of Liechtenstein's holding of 17.7 million LLB shares, or 57.5 per cent of the share capital, remained unchanged in 2020. In 2011, the Liechtenstein Government, as the representative of the majority shareholder, adopted the ownership strategy it has been pursuing in regards to the Principality's equity stake in Liechtensteinische Landesbank AG (www.llb.li/en/investors/llb-share). It thereby explicitly supports the stock exchange listing of LLB and retains a majority stake of at least 51 per cent.

5.9 per cent of the shares were owned by the Haselsteiner Familien-Privatstiftung and the grosso Holding Gesellschaft mbH, both of which are domiciled in Austria, as at 31 December 2020 (see chapter "[Corporate governance](#)").

LLB held 0.9 per cent (2019: 1.2 %) of its own shares (treasury shares) as at the end of the reporting year. The remaining registered shares were in free float, whereby none of the other shareholders held more than 3 per cent of the share capital.

Overall 89.8 per cent of the 30.8 million total registered shares were entered in LLB AG's share register as at the end of the reporting year. 10.2 per cent, or 3'142'990 shares, were not registered.

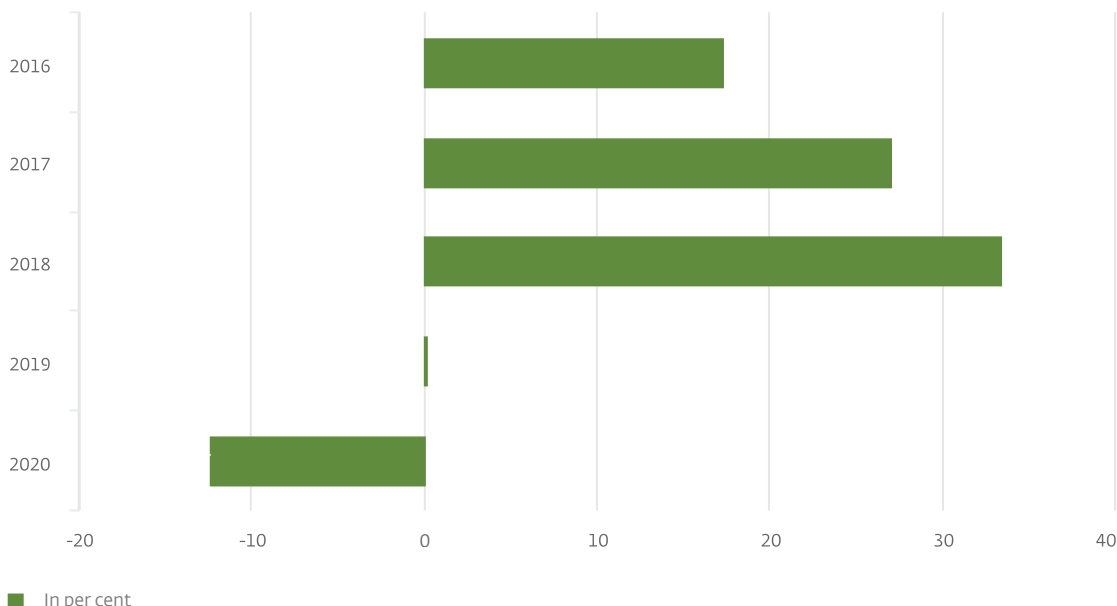
Shareholder structure in per cent



Share price performance

2020 will go down in history as a particularly difficult year for stock markets. Bank shares also suffered significant price losses due to the coronavirus pandemic. The European banking index, for example, fell in September 2020 to its lowest level in almost thirty years. The price of the LLB share stood at CHF 52.50 as at 31 December 2020. Its total return was minus 12.4 per cent. In comparison, the SPI Swiss Banks Index lost 12.6 per cent in the year under report, while the STOXX Europe 600 Banks Index in CHF was down as much as 24.2 per cent on the previous year.

Total return on the LLB share

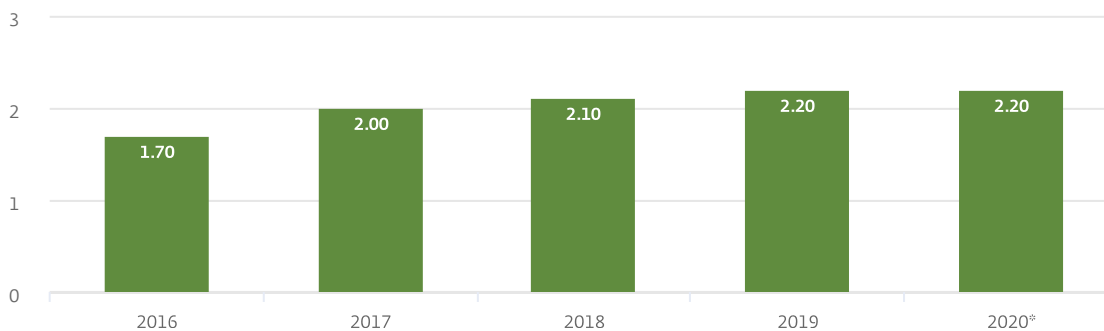


Dividend policy

Liechtensteinische Landesbank pursues an attractive, long-term-oriented dividend policy for the benefit of its shareholders. Furthermore, under the StepUp2020 strategy, the LLB Group is committed to safeguarding its financial security and stability. It intends to keep risk-bearing capital at a Tier 1 ratio of over 14 per cent in accordance with Basel III. Against this backdrop, the payout ratio for shareholders should be 40 to 60 per cent of Group net profit.

The Board of Directors will propose a stable dividend of CHF 2.20 (2019: CHF 2.20) per share at the 29th Ordinary General Meeting of Shareholders on 7 May 2021. Based on the share price as at the end of 2020, this corresponds to a dividend yield of 4.2 per cent. Total dividends to be paid out amount to CHF 67.1 million (2019: CHF 67.0 million). This represents a payout ratio of 61.1 per cent for 2020 (2019: 54.3%).

Dividend per share (2016-2020 in CHF)



* Proposal of the Board of Directors to the General Meeting of Shareholders on 7 May 2021

Analysts' recommendations

"The LLB share is very attractively priced. A dividend yield of 4.0 per cent for 2021 is, in our opinion, also very attractive", wrote Javier Lodeiro, the Zürcher Kantonalbank analyst responsible for monitoring the LLB share, in September 2020. He cites the LLB Group's excellent performance especially on the cost front. Further, he points out that despite allowances credit quality is high. LLB could perform well compared to Swiss asset managers, according to Lodeiro. Consequently, he reaffirmed his "overweight" rating.

Research Partners AG has been covering the LLB share since mid-2016. In a report that came out in October 2020, analyst Rainer Skierka also views the LLB as being attractively priced. Research Partners has left its buy recommendation unchanged. The twelve-month price target has been adjusted to CHF 72.00 (2019: CHF 85.00) to reflect lower estimates and changed market conditions caused by the Covid-19 pandemic.

Communication with the capital market

The LLB Group publishes annual and interim financial results (see chapter "Responsibilities for the economy, society and environment"). Normally, we hold a media and analyst conference on the annual results in Zurich. If, as in the previous year, it cannot take place physically in 2021 due to the coronavirus pandemic, there will be a conference call for analysts, investors and the media instead – like we have for the interim financial results. The LLB Group's annual report and interim financial reporting form the basis respectively. We produce these to a very high standard. Hence, the LLB Group has ranked among the companies with the best results in the overall rating category of the Swiss Annual Report Rating for several years now.

Also at the General Meeting of Shareholders, the Board of Directors and the Board of Management report transparently on the course of business. In 2020, it had to be held for the first time without shareholders being physically present due to the coronavirus pandemic.

We also hold regular discussions with investors, provide information at roadshows and participate in specialist conferences for financial analysts and investors. In the reporting year, however, these activities had to be largely suspended as part of increased safety measures to protect against the spread of the Covid-19 virus.

All publicly accessible information about the LLB Group can be accessed on our website at www.llb.li. Anyone interested is welcome to register at www.llb.li/registration to receive price-relevant facts electronically. Additionally, we publish our information via our social media channels (Facebook,

Twitter). We publish the annual and interim financial reports in a comprehensive online version with numerous additional functions. The Annual Report 2020 in German can be accessed online at gb2020.llb.li and in English at ar2020.llb.li.

The LLB share: facts and figures

in CHF thousands	31.12.2020	31.12.2019
Total of registered shares issued (fully paid up)	30'800'000	30'800'000
Number of shares eligible for dividend	30'511'590	30'435'705
Free float (number of shares)	11'006'590	10'930'705
Free float (in per cent)	35.7	35.5
Year's high (20 February 2020 / 21 March 2019)	68.00	71.40
Year's low (16 March 2020 / 15 August 2019)	45.00	59.20
Year-end price	52.50	62.40
Total return LLB share (in per cent)	- 12.4	0.2
Performance SPI (in per cent)	3.8	30.6
Performance SWX Banking Index (in per cent)	- 12.6	15.1
Average trading volume (number of shares)	7'566	8'933
Market capitalization (in CHF billions)	1.62	1.92
Basic earnings per share attributable to the shareholders of LLB (in CHF)	3.39	3.77
Dividend per LLB share (in CHF)	* 2.20	2.20
Payout ratio (in per cent)	61.1	54.3
Dividend yield at year-end price (in per cent)	4.2	3.5
Return on equity attributable to the shareholders of LLB (in per cent)	5.3	6.0
Eligible capital per LLB share (in CHF)	55.7	53.2

* Proposal of the Board of Directors to the General Meeting of Shareholders on 7 May 2021

Sustainability in banking

Sustainability Group project

In the reporting year, the LLB Group set up a project to coordinate its sustainability activities. In the first half of the year, the strategic vision and the future organisational structure in the context of sustainability were laid down. In banking, there is an ambition to make traditional banking sustainable in the relevant areas. LLB wants to go beyond this and launch new sustainable products so as to position itself with a strong offering in the market in the medium term. It therefore began already in the reporting year to develop its sustainable investment approach further and to gradually expand its product range of sustainable investment solutions.

LLB also decided to strengthen its support for sustainability, internally and industry-wide. We developed, for instance, a three-stage training concept to increase our employees' knowledge about sustainability. We also signed up to the United Nations Principles for Responsible Investment (UN PRI) in 2020. We will publish a PRI report on our sustainable investment approach for the first time from spring 2022.

In the second half of the reporting year, we turned our focus to regulatory and strategic issues. LLB dealt in particular with political and regulatory developments in the EU, the EEA and Switzerland. For example, it started the necessary preparatory work for the implementation of the future requirements of the EU regulation on sustainability-related disclosures in the financial services sector (SFDR) and the new requirements of the so-called EU Taxonomy Regulation.

The various issues in the context of sustainability will continue to be coordinated within the framework of our Group project until summer 2021. It will then be replaced by a regularly convening Sustainability Council. Group CEO will act as Chair of the Council. Operational project coordination and organisation will be the responsibility of the Sustainability Officer. This position has been created specifically to also anchor sustainability in the LLB Group organisation.

Customer orientation

Banking as an experience for clients

"Integrity" and "respectfulness" are values that are also paramount in the communication and interaction with our clients. Famously, many emotions are associated with financial transactions. We therefore want to make banking an experience that is innovative and pioneering. Only when clients trust their bank, the staff, the products and the technological services and also understand its offerings, do they feel well looked after and respected. This basic philosophy affects all the points of contact with clients. The client's experience is placed centre stage and an emotional value proposition that creates proximity to the client is defined.

Client proximity through systematic surveys

Knowing the needs of clients is the basis for the further development of our channels and offerings. To this end, in spring 2020, we conducted a survey of our clients in all divisions of LLB in Liechtenstein. Our clients gave us top marks for overall satisfaction as well as for willingness to recommend to others and satisfaction with e-banking. The potential for improvement identified in other areas will be analysed in more detail and followed up with high commitment in the individual divisions.

The current survey is part of a customer experience concept, with which LLB wants to anchor customer orientation even more systematically in the company. The aim is to conduct these surveys on a regular basis so as to ensure permanent optimisation and to improve client satisfaction. The next client survey – which includes Bank Linth and LLB Österreich – is scheduled to take place in 2022.

Excellent client advisory services

We also received a particularly good rating from our clients for competence in investment advice and asset management. This very positive verdict was also confirmed by external experts. Liechtensteinische Landesbank achieved a top score in an independent comparison test conducted by the Fuchs | Richter

testing body in the reporting year. It was placed fourth overall in the "TOPs 2021" ranking. With regard to the core topic of sustainability, the testers rated LLB's expertise as well above average.

Sustainable products and services

We have offered sustainable asset management mandates since 2015. As part of the Group project on sustainability, the focus on sustainable finance has, however, been strengthened still further. Our aim is to position ourselves with a comprehensive range of sustainable products and services in the medium term. We took our first steps in this direction in the reporting year. In mid-2020, we launched the LLB Gold Fund, the first Liechtenstein fund that invests in sustainably produced and transported gold and is backed by physical gold.

As part of the sustainable orientation of our product and service range, we converted all bond funds to sustainability by the beginning of 2021. Strategy and equity funds will follow in spring 2021.

That we are on the right track with our products where sustainability is concerned has been attested time and again by external experts. LLB Finanz Immo Kapitalanlagegesellschaft, for example, was certified in the reporting year with the Austrian Ecolabel. It is awarded to ethically oriented products and businesses in the financial sector that generate profits through sustainable investments.

ESG integration in asset management

For the LLB Group, sustainability in asset management means adopting a responsible approach to investing that meets high ethical, social and environmental standards. Furthermore, looking at sustainability aspects brings an additional perspective to risk assessment and as such supports long-term value creation for our clients. As a member of the UN Principles for Responsible Investment (PRI) Finance Initiative, we are committed to the goal of responsible investment management. In this way, we contribute to the fulfilment of the UN's sustainable development goals (SDGs). We also expect that broadly diversified, sustainable investments will yield returns comparable with those from traditional investments. In asset management, too, we will therefore continue to integrate sustainability into our product range.

We have opted to apply a methodologically comprehensive approach to the sustainable investment process. We take into account various sustainability criteria for the individual analysis and also offer balanced model portfolios for all relevant markets.

Under the LLB approach to sustainable investments, we invest up to a quarter of the portfolio in special impact themes such as climate and environmental protection and microfinance. The individual securities and funds are subjected to additional analysis. Here we rely on our internal fund analysis and also on the ESG expertise of renowned agencies such as MSCI and we invest in companies and funds with a high ESG rating.

Sustainable investments

In line with its sustainable investment approach, the LLB Group converted not only all bond funds to sustainability by the beginning of 2021, but also all asset management mandates. With these, only securities with a favourable ESG rating from financial services provider MSCI are considered when constructing a portfolio. Certain sectors such as tobacco, alcohol, nuclear energy and armaments can be excluded from the portfolio if a client so wishes. As demand grows, the investment process is being refined ever further. LLB also offers the inclusion of sustainability aspects for its "LLB Invest" investment advisory packages.

Risk-conscious growth in the mortgage lending business

The development of the real estate and mortgage market plays a key role in the economy. In Liechtenstein, LLB has a leadership position in the mortgage lending business with a market share of around 50 per cent. Bank Linth extends mortgages in eastern Switzerland. This makes us an important partner for private individuals and businesses. For the LLB Group, the quality of the mortgage portfolio is key: growth must be sustainable and risk-conscious and in line with the type of property and the development of the market in the region. In 2020, mortgages accounted for 88.7 per cent (2019: 87.4 %) of loans granted by the LLB Group, corresponding to CHF 11.7 billion (2019: CHF 11.3 billion) (see chapter "Finance and risk management").

Sustainable building

We promote passive houses, new builds and renovations with the Minergie or other comparable energy standard through specially tailored mortgages. Our clients benefit from particularly attractive preferential conditions for a five-year term.

Fair competition

As the bank for the country and the people, being able to offer attractive and innovative price models is important to us. Individual prices and flat-rate price models or on request also performance-dependent conditions underpin our claim to guarantee a fair and transparent tariff structure. For LLB funds, we forego retrocessions (portfolio maintenance commissions), which makes our funds significantly cheaper in comparison to the market. We pass retrocessions received on third-party fund holdings on to our clients in full. Thanks to our simple and easy-to-understand tariff structure, the fees and conditions for clients are visible at a glance.

We also have a very fair approach when it comes to fees for our LLB strategy funds: we are one of the first banks to introduce a performance-based model for strategy funds and a swap-based model for some fixed-income funds, with pricing being linked to the interest rate.

Financial planning for private individuals and businesses

Worries about the future of pension funds, the challenging economic environment and changing legal frameworks make it increasingly difficult for private individuals and businesses to make the right financial decisions. The need for comprehensive, professional advice therefore continues to grow. Our answer to this is the "LLB Compass – the 360° advice for your future". Our holistic financial planning highlights all the important topics such as budgeting, asset structuring, pension planning, real estate and financing as well as taxes and estates and provides our clients with a guide on how they can shape their financial future. In the case of entrepreneurs, our advice always takes account of the individual characteristics of the firm.

LLB Pension Fund Foundation for Liechtenstein

With the LLB Pension Fund Foundation, we are the only bank in Liechtenstein with a collective foundation for Liechtenstein SMEs and that since 2005. Owing to its solid financial position, it is gaining popularity. At the end of 2020, Liechtenstein's youngest collective foundation managed CHF 1.2 billion (2019: CHF 869 million), surpassing the one billion Swiss franc mark for the first time. The LLB Pension Fund Foundation thus manages the largest amount of pension fund assets in Liechtenstein, making it an essential pillar of the domestic pension fund market. At the end of 2020, it had 838 affiliated companies (2019: 514) with a total of 7'478 active insured persons (2019: 5'490) as clients. The liquidity ratio stood at 107 per cent (2019: 107 %). The LLB Pension Fund Foundation has a very good structural ratio: for each pensioner there are 12 active insured contributors (2019: 14 active insured contributors).

In order to be able to actively participate in shaping the legal framework, the LLB Pension Fund Foundation is represented on the Executive Board of the Liechtenstein Pension Scheme Association (LPKV). In this way, it is also instrumental in the expansion of the domestic market.

Risk management

Effective risk management, that means permanent and systematic monitoring to minimise risk, contributes decisively to responsible and transparent corporate governance (see chapter "[Finance and risk management](#)"). By specifying a future-oriented risk strategy, the Board of Directors of the LLB Group establishes the guidelines for dealing with risks. In addition, it continues to develop corporate governance on an ongoing basis (see chapter "[Corporate governance](#)"). The applicable laws, directives, guidelines and market standards as well as supervisory and internal regulations form an essential base. Group Legal & Compliance advises the business areas, identifies and analyses compliance risks, and ensures that all staff comply with the Code of Conduct (see chapter "[Strategy and organisation](#)").

Regulatory development in the context of sustainability

The European Union promotes sustainable development of the economic system and has pledged to meet the goals of the Paris climate agreement and those of the UN's Agenda 2030. With its "Action Plan for Financing Sustainable Growth", the EU aims to reorient capital flows towards a more sustainable economy. Integrating sustainability aspects into risk management and fostering transparency are key

areas of the action plan. Achieving the European Council's goal of climate neutrality by 2050 will require a significant reduction in CO₂ emissions, supported by "green" financing.

Various legislative initiatives following this action plan have been started in the EU. Particularly worthy of mention are:

- ♦ Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector;
- ♦ Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Taxonomy Regulation);
- ♦ Draft Delegated Regulation amending Delegated Regulations 2017/565 and 2017/593 in the MiFID II context;
- ♦ Draft Delegated Regulations amending Delegated Regulations 231/2013 (AIFM) and 2010/43/EU (UCITS).

The subsidiaries of LLB in Austria (bank and investment companies) are directly affected by the EU regulations. The regulations are also relevant to LLB in Liechtenstein through the EEA, although the date of application may vary depending on the law.

The LLB Group started the preparatory work for the implementation of the upcoming legislation in the reporting year, so that the regulatory requirements can be gradually implemented from 2021 onwards. This includes, for example, paying greater attention to sustainability risks both in the bank's own risk management and in investment products under the sustainability approach of LLB Asset Management. Along with the expansion of the product range of sustainable investment solutions, we will be concerned with providing maximum transparency to clients on the classification of products with regard to sustainability. The training of frontline staff began already in 2020.

The LLB Group aims to increasingly integrate the topic of sustainability into its products, its risk management and especially into its client advisory services. We therefore support the efforts of legislators in the sustainability area to create relevant standards and transparency requirements.

Employees

Employees are a company's greatest asset. In order to retain excellent, committed employees and gain new ones, it is essential to create an appealing work environment and to position itself as an attractive employer. The LLB Group has done this successfully for years. It has been recognised both internally and externally for its commitment to its employees.

LLB as employer

As at the end of December 2020, the LLB Group had 1'225 employees (2019: 1'234), who together filled 1'064 full-time positions (2019: 1'077). This makes LLB one of the largest employers in Liechtenstein.

Performance pledge and employee development

As a modern employer, we position ourselves as having the following strengths: We offer a corporate culture based on partnership, interesting work content and plenty of scope for growth. High-achieving employees have excellent development opportunities and prospects. Standardised processes allow both managers and employees to receive regular feedback on their performance and their development potential.

The performance pledge formulated by Group Human Resources was set out in a strategic HR vision (see illustration below). This is an important instrument to raise awareness of the supportive yet demanding work environment.

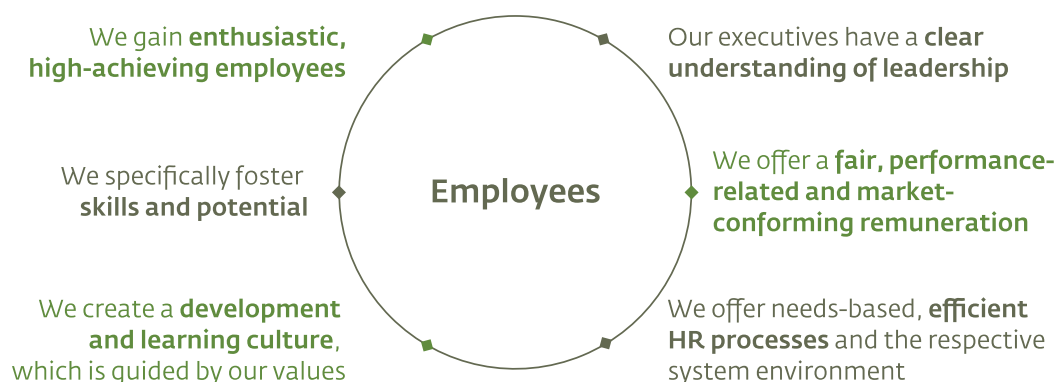
Value-oriented compensation

The LLB Group offers attractive employment conditions. It spent CHF 181.0 million (2019: CHF 192.9 million) on salaries and social contributions in 2020 (see notes to the consolidated income statement).

The LLB Group takes aspects of value orientation into consideration in all areas of the company. We have a modern compensation system that is considered exemplary in the banking sector. For the majority of employees, it includes a variable remuneration component. In 2013, we decided to introduce the Market-Adjusted Performance Indicator (MAPI) so as to be able to make a careful and objective evaluation of the management's performance (see chapter "[Compensation report](#)"). The model was developed in conjunction with FehrAdvice & Partners AG, Zurich, and is based on the results of behavioural economics research carried out by Professor Ernst Fehr from the University of Zurich.

We set great store by fair compensation that explicitly recognises skills and performance. Women and men in the same position and at the same performance level are in the same pay scale and wage model. This is valid for all our business locations.

Chart on Strategic vision



Communicating with employees

A clear, consistent and transparent approach when addressing employees is essential for successful corporate management. This is all the more so in crisis situations like the corona pandemic, which affected many parts of day-to-day operations in 2020. For this reason, we intensified internal communication yet again during the reporting year. The key tool here was the intranet. We provided information on the latest developments Group-wide – tailored to the individual companies – in the form, for instance, of regular updates on the coronavirus. The Group CEO put out a quarterly newsletter to update employees on current projects and innovations.

The Group Forum, which is an annual Group-wide information event where the Group Executive Board reports on the latest developments in the company, was adapted in 2020 to comply with pandemic requirements. Instead of a physical event with an audience, it was broadcast as a discussion round on the intranet, with all employees being able to participate virtually.

Similarly, LLB (Österreich) AG moved its regular information events to the intranet, where it also posted video messages from members of the Board of Management. Bank Linth, too, conducted employee information events virtually when possible, if they could not be held physically.

In the autumn of 2020, LLB started to upgrade its intranet so as to be able to reach employees in a more targeted and appealing way in the future. It plans not only to use the intranet for communication, but also develop it into a collaboration platform.

Well anchored in the region

It is important to us that our managers understand the mindset and concerns of our clients. And for this reason, almost 100 per cent of the managers and the majority of employees in the main business locations have their roots in their respective region. As a result, they are highly dedicated to the company and have a high level of integrity. They also take a long-term view, which is very much appreciated by the clients. To meet the demand for skilled employees, LLB relies on commuters who travel every day from eastern Switzerland (2020: 263; 2019: 264) and the Austrian state of Vorarlberg (2020: 85; 2019: 85) to Liechtenstein. This makes LLB a major regional employer in the Rhine Valley. Bank Linth recruits almost all of its professionals from the Swiss regions of Lake Zurich, Sarganserland and Winterthur.

Attractive work environment

We continually implement measures to improve the work environment so that we can position ourselves actively in the competition for the best talent. Here we focus in particular on health promotion in the workplace, raising job quality and flexibility of working hours and location.

Flexible work environment

In recent years, the LLB Group has responded to the wish increasingly expressed by its employees for remote mobile working and ramped up its home office capacities. This process was accelerated enormously by the corona pandemic in the reporting year. By the autumn of 2020, the technical

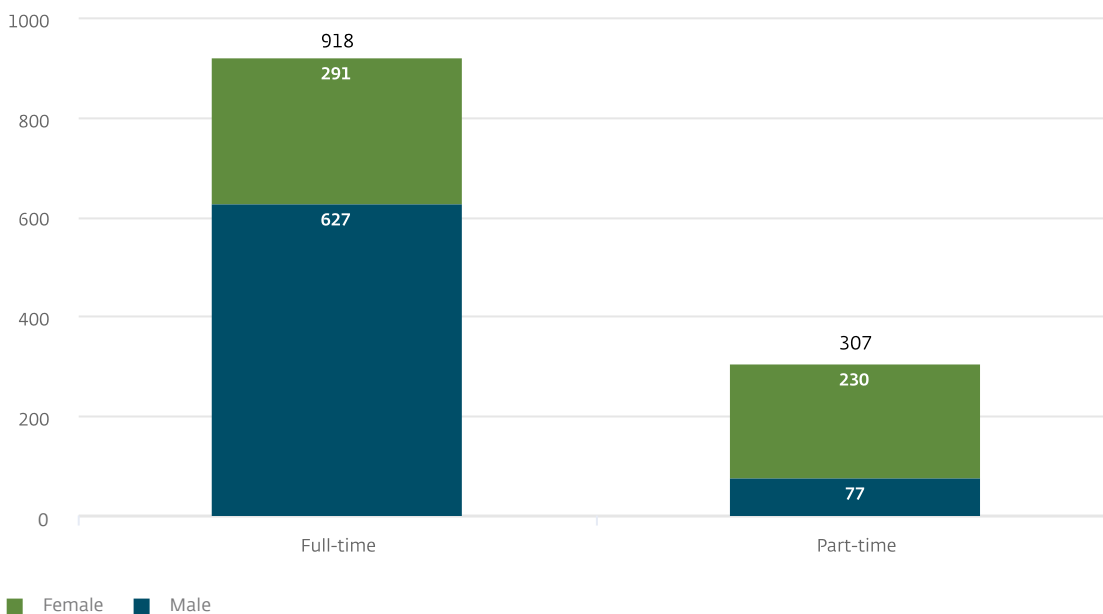
conditions were in place so that almost all employees could work from home. When Covid-19 measures eventually come to an end, we will still offer the option of home office working. Regulations have already been drawn up accordingly.

Compatibility of work and life situation

Enabling a high degree of compatibility between work and private life makes for an attractive employer. In recent years, therefore, we have pushed ahead with projects offering greater flexibility of working hours and location. Most employees work under the trust-based working time model. Under this model, they determine, in consultation with their manager, exactly how their working time is to be structured and different workloads managed. A reduction of working hours from full-time to 80 or 90 per cent is, in consultation with their manager, possible as well – this also applies to management positions.

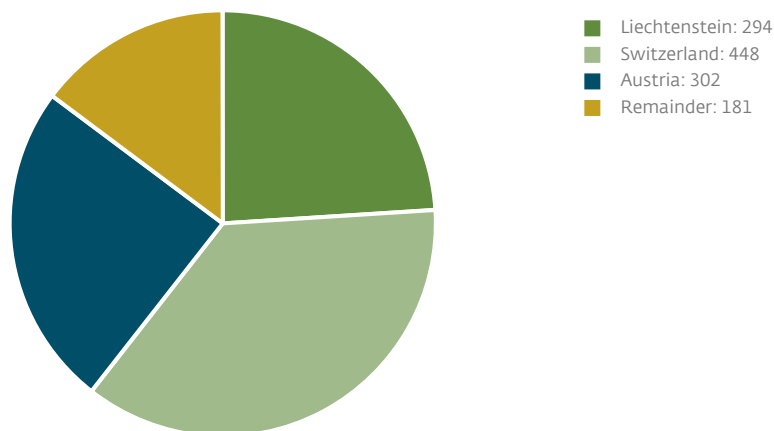
Under the "Freizeit-Kauf" (purchase leisure time) scheme, employees can increase their holiday entitlement by five or ten days and forego a corresponding amount of pay in return. This option is highly appreciated and finding ever greater resonance: in the reporting year, 106 employees (2019: 137) purchased a total of 745 additional leave days (2019: 995). We also support paternity leave and permit our employees care leave in the case of a family emergency. The "Villa Wirbelwind" crèche in Vaduz, which was set up in co-operation with the Liechtenstein Bankers Association, is open to the children of all Liechtenstein bank employees. Long-service employees are rewarded with a sabbatical. 49 employees (2019: 34) with long-service anniversaries of ten, twenty, thirty or forty years went on a sabbatical for up to four weeks in 2020.

Breakdown by employment type *



* Including permanent and temporary employees

Breakdown by nationality *



* Including permanent and temporary employees

Initiative for employees over 50

Rapid digital developments and growing complexity are affecting the workplace, making job profiles more demanding. Staying motivated and up-to-date is a challenge – especially for employees who have been in professional life for a long time. At our Liechtenstein location, 26 per cent of employees are over the age of 50. To ensure they remain fit for the working world of the future, we have developed a special programme. It includes, among other things, offerings to strengthen professional and methodological competence. Training courses and workshops planned for 2020 had to be cancelled due to restrictions introduced in response to the coronavirus pandemic. They will be held again as soon as the situation allows. A new service offering for employees turning 50, namely an analysis of their financial position, was introduced however. This new service offering allows them to receive free financial planning advice for their retirement.

Health and safety

LLB successfully completed an assessment by Gesundheitsförderung Schweiz (Swiss Health Promotion) during the reporting year, and we are now the first bank in Liechtenstein to carry the "Friendly Work Space" label. To be awarded the label, a company must meet a number of criteria. Workplace health management has to be integrated in management systems and be perceived as a management task. Personality- and health-promoting working structures have also to be in place. The external assessors emphasised in their assessment that LLB takes health-related considerations into account with regard to a range of HR processes, employee offerings and infrastructure. This is reflected, for example, in the selection of personnel as well as in the range of opportunities for targeted training and professional education.

We want to reduce the absenteeism rate, which indicates the incidence of accidents and long-term illnesses, through these and other measures. We were able to meet our target of up to 2.5 per cent in the reporting year. In 2020, we registered 133 absences (2019: 149), corresponding to a rate of 1.5 per cent (2019: 2 %).

Support at difficult times

Our aim is to reduce short- and long-term absences and to facilitate the return to work. Mental stress can often result in physical illness and vice versa. Our employees are therefore able to gain free and anonymous access to psychological counselling should they find themselves in difficult work or life situations. We also offer support to employees returning to work after a long absence and to those with serious health problems. Providing practical support enables employees to maintain or regain their productivity.

High employee satisfaction

Employee satisfaction is an indicator of whether it is possible to retain motivated, high-achieving employees in the company. To understand where we stand in this respect, we regularly conduct in-

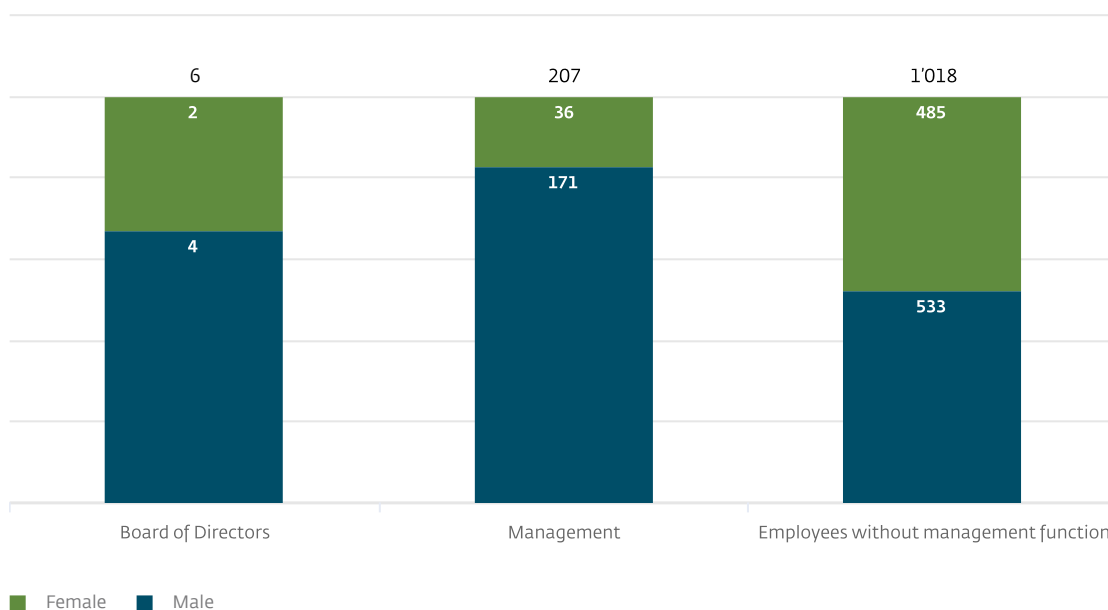
depth employee surveys at the companies of the LLB Group. In the 2020 survey these achieved very good ratings against the main criteria again. They improved upon their result from the last survey in 2017 in the criterion commitment, which is particularly important to the success of a company. LLB AG and Bank Linth thus belong to the top-rated 20 per cent of the comparable group. Results from the survey for the criteria satisfaction and evaluation of the company as an employer were consistent, and that at a high level. LLB AG and Bank Linth consequently also scored very well against the criterion of recommending the company to others. Employees were more critical than they were three years ago in the areas of structures and processes as well as work and leisure. We will, naturally, look into what lies behind this change.

The positive overall rating from the employees led to the two banks being honoured with the Swiss Employer Award at the end of 2020. Overall, they rank among the top 10 employers in Switzerland and Liechtenstein.

Diversity of employees and managers

As various studies have shown, teams that are diverse are more productive and more innovative. People of different nationalities working together has been commonplace at the LLB Group for many years. In 2020, 24 per cent of our employees were Liechtenstein nationals, 37 per cent Swiss nationals and 25 per cent were Austrian nationals. All in all, people from 36 nations work at the LLB Group. We are committed to ensuring that our client base is reflected in our employee mix. This also applies to our traditional cross-border markets in Germany and the rest of Western Europe as well as to the growth markets of Central and Eastern Europe and the Middle East.

Breakdown by gender *



* Including permanent and temporary employees

The proportion of women working for the LLB Group is relatively high at 43 per cent, though they are still under-represented in leadership positions. The first woman was appointed to the Group Executive Board in 2016 (see chapter "[Corporate governance](#)").

Women in management positions:

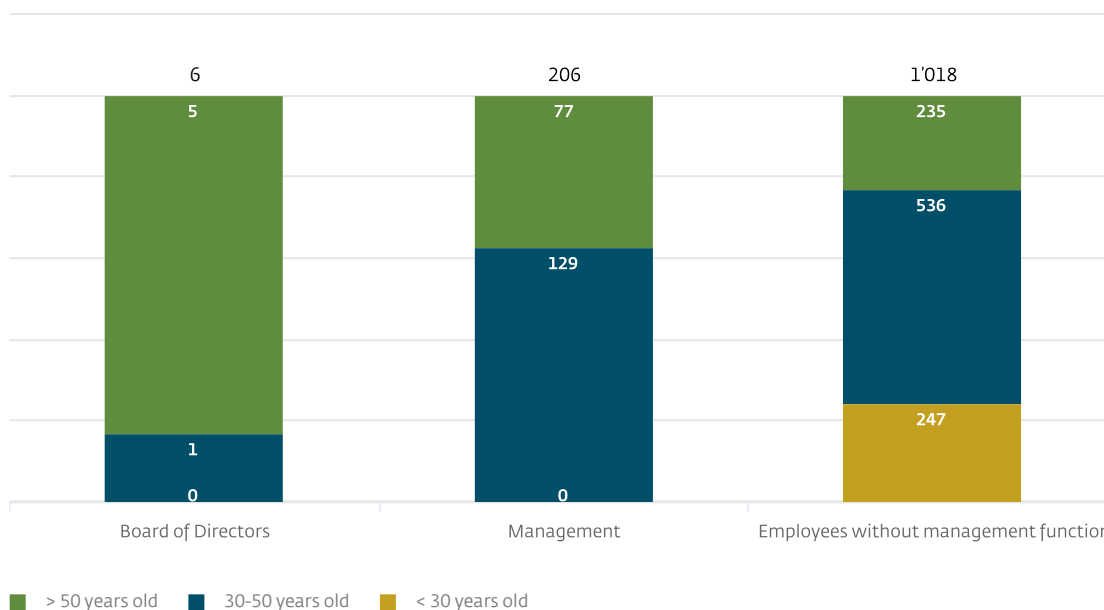
- ♦ Executive management: 5 men, 1 woman
- ♦ Senior management: 25 men, 1 woman

The Board of Directors of LLB, which is publicly listed, has been characterised by an above-average proportion of women since 2014. At the end of 2020, with two out of the six members women, they

represented a third (33 per cent) * of the board members. 91 employees were assigned to the "Potential Pools", from which, among other things, future managers are recruited internally; of these, 27 were female.

* In November of the reporting year, there was a change in the Board of Directors. As a result, the board temporarily consisted of six instead of seven members. Without this special effect, the proportion of women on the Board of Directors would be 29 per cent.

Breakdown by age group *



* Including permanent and temporary employees

Staff development

For the LLB Group, training and professional education is an important instrument for increasing its competitiveness. In 2020, we invested CHF 1.4 million (2019: CHF 1.7 million) in the targeted development of managers, talent and competences. By doing so, we were able to fill 63 per cent (2019: 59 %) of management positions that became vacant internally in the reporting year. To give existing employees an overview of their individual development paths, we rolled out the "Career Planning" project. The development-oriented job profiles defined under it show the different levels of professionalism. It enables us to explain to our employees what the prospects are in their current job and beyond.

Measuring the success of staff development

The LLB Group has established various processes in recent years to support the systematic further development of its staff and internal pool of specialists and experts. Based on regular assessments of performance and development potential as well as strategic staffing needs within the Group, concrete action plans can be developed and implemented for all employees. There are, among other things, so-called "Potential Pools". 91 individuals, or 10.3 per cent of employees (2019: 95 individuals, 8.9 %), were assigned to one of five "Potential Pools" in 2020.

Digitalisation of personnel management

The LLB Group has had a digital portal for some years now that offers employees and managers a uniform platform for a variety of different HR applications, ranging from tools for learning management to onboarding new employees. At the same time, two management-intensive processes (performance management and people development) were also system supported and automated, improving and facilitating performance measurement and employee development. The HR portal also enables employees to network more closely internally over a collaboration platform. What is more, they can

store personal information such as an emergency contact, language skills and education and training on it. The information can then be retrieved and used as required.

We are increasingly using digital tools for recruitment purposes, too. The focus is on recruiting via our social media channels, i. e. LinkedIn, Instagram and Xing.

Client adviser certification

With mandatory SAQ client adviser certification, we are ensuring the outstanding advisory competence of the LLB Group for the long term according to uniform quality criteria. Despite more difficult circumstances due to Covid-19 measures, we pushed ahead with the certification of our clients advisers in 2020 and so the first tranche of employees with client contact successfully completed the programme – in all, this corresponds to around 80 per cent of all client advisers. Others will follow in the coming years. The SAQ certification also complies with the regulatory requirements arising from the European Markets in Financial Instruments Directive (MiFID II) and the Swiss Financial Services Act (FinSA). In 2020, we invested CHF 176'000 (2019: CHF 318'000) in training programmes in accordance with the standards of the Swiss Association for Quality (SAQ).

Professional training

Liechtensteinische Landesbank lives up to its responsibility as one of the largest providers of training in Liechtenstein. In the reporting year, 30 apprentices (2019: 34) at the LLB Group benefited from high-quality dual professional training, which combines theory and practice. The classic basic training remains the main pillar of the development programme for our junior employees. We believe that the provision of a broad education is a key task, especially as through the Federal Vocational Baccalaureate (FVB) it allows young adults to keep their options open to go to a university of applied sciences or a traditional university.

Bachelor, work and study, and master programmes

Since 2014, the LLB Group has had a greater focus on university graduates. There are three different programmes available for candidates: practical-based direct entry for graduates (2020: 4 participants); a work and study programme for postgraduates in the final phase of their studies (2020: 2 participants); and a trainee programme for postgraduates (2020: 4 participants). Talented young people get to know our company in-depth from the inside as part of an eighteen-month on-the-job trainee programme covering three areas of work.

The participants of these three programmes are in contact with top management, are involved in day-to-day business from their very first day of work and profit from the comprehensive spectrum of tasks of a universal bank. Those who demonstrate performance and commitment are recommended for a permanent position.

In order to enhance its profile as an attractive employer, the LLB Group is regularly present at the Universities of Liechtenstein and St. Gallen, FHS St. Gallen University of Applied Sciences and Zurich University of Applied Sciences (ZHAW) in Winterthur. This is a response, among other things, to its ongoing high demand for employees with a higher education. As a result, the level of qualifications of new entrant employees and managers has increased significantly in recent years: at the end of 2020, 61 per cent of newly recruited employees had graduated from a university or a university of applied sciences or completed higher professional training.

Representation of employees

As a fair and responsible employer, it is important to us that employees have a body to whom they can turn should they encounter problems at work and which represents their interests vis-à-vis the Group Executive Board. The Representation of Employees (Arbeitnehmervertretung) at LLB's parent bank holds a regular dialogue with the Group Executive Board. The Representation of Employees has a say in various issues such as staff pension plans, rationalisation projects and staff retrenchment. It also represents the viewpoint of the employees in various working groups such as the Mobility Commission and the Working Atmosphere and Health Commission. The Group Executive Board is obliged to inform the Representation of Employees of all matters that are relevant to employees.

Personnel Pension Fund Foundation

In the reporting year, 707 employees of our corporate Group who work in Liechtenstein were covered by the retirement, life and disability insurance plans of the autonomous Personnel Pension Fund Foundation of Liechtensteinische Landesbank. The pension fund and its defined contribution scheme offer three attractive savings plans that go beyond the requirements of the law (Occupational Pension Act (OPA)). In addition, LLB's contributions as an employer amount to two-thirds of the financing of the fund.

To safeguard pension benefits, the Board of Trustees decided to reduce the pension conversion rate further to 4.82 per cent by 2027. In addition, the principle of sustainability was added as an investment criterion. As at the end of 2020, 64 per cent of the investment assets complied with the new LLB sustainability criteria. This proportion is to be steadily increased. The liquidity ratio increased in the reporting year to 110.5 per cent (2019: 108.1 %) thanks to a strong fourth quarter. The return on investment was approximately 4.2 per cent (2019: 8.2 %). The retirement assets of the active insured persons bore interest of 2 per cent as at the end of the year. The fluctuation reserve increased to CHF 34.3 million (2019: CHF 25.4 million). The Personnel Pension Fund Foundation of Liechtensteinische Landesbank is thus well positioned for the future.

LLB Group headcount statistics

	2020	2019	2018	2017	2016
Employees					
Number of employees (full-time equivalents)	1'064	1'077	1'086	867	858
Full-time employees	918	930	953	769	767
Part-time employees	307	304	280	218	207
Apprentices	30	34	33	36	38
Young talents*	10	9	13	4	11
Employee retention					
Staff turnover rate in per cent	11	12	11	11	10
Average length of service in years	9	9	9	10	10
Average age in years	41	41	41	40	40
Diversity and equal opportunities					
Number of nations	36	38	38	36	39
Share of women in per cent	43	42	43	43	42
Training and professional education					
Training costs in CHF thousands	1'300	1'655	1'802	1'384	1'570
of which SAQ certification costs in CHF thousands	176	318	410	244	239

* Includes all working students in master's studies, trainees with master's degree and direct entrants with bachelor's degree. All young talents have temporary employment contracts.

Corporate environmental and climate protection

As a responsibly operating company, it is important to us to contribute to the reduction of greenhouse gas emissions and to the conservation of natural resources. We fulfil this responsibility by taking environmental aspects into account in our capital investments (see chapter "Sustainability in banking") as well as by implementing measures in our own operations. Thanks to our ambitious mobility management and the improved energy efficiency of our IT infrastructure and buildings, we have made progress in reducing our CO₂ footprint over the past few years.

Mobility management

The volume of traffic has increased massively in Liechtenstein over the past few years. The LLB Group is committed to keeping the environmental pollution caused by business and commuter traffic as low as possible. We have an incentive scheme to encourage our staff to use public or non-motorised transport or form car pools to get to work. Here, on the one hand, we subsidise the cost of season tickets on public transport and offer a bonus in return for foregoing a parking space. And, on the other hand, we levy parking charges – there are four charge bands and the charge levied depends on the distance to work. We promote the use of non-motorised transport by providing changing facilities and showers with towel services as well as 45 company bicycles at our business locations. We also contribute CHF 50.00 towards the purchase of a bicycle helmet and motivate our employees to take part in the competition run by the Verkehrs-Club Liechtenstein (VCL) "Radfahren für Ihre Gesundheit" (Cycling for your health) and the one by the Liechtenstein Chamber of Commerce and Industry "Mit dem Rad zur Arbeit" (Cycling to work).

These measures are having an effect: out of all LLB employees in Liechtenstein, 295 (2019: 293) now come to work by bus, bike or on foot; this corresponds to 41 per cent.

We have installed nine electric charging points in all at six locations in Liechtenstein in an effort to promote electromobility. The charging points are primarily available for use by our employees who drive to work in an electric car, but they can also be used by our clients.

Energy-efficient buildings

The organisational unit Facility Management identifies potential energy savings and evaluates the effect of efficiency measures. We continue to improve the energy efficiency of our properties through renovating and refurbishing. An example of this is our "Green Datacenter", which not only corresponds to the highest security standards, but also has an excellent energy balance. Since two of our business premises in Vaduz (our headquarters and Haus Wuhr Ost) are equipped with photovoltaic (PV) systems, we generate a small part of our electric power in an environmentally friendly manner. In 2020, the PV systems produced 8'820 kilowatt-hours (2019: 8'560 kWh).

In the reporting year, the coronavirus pandemic, among other things, led to a decrease in energy consumption as many employees worked from home for a time (see table).

Energy consumption and greenhouse gas emissions ¹

	2020	2019
Energy consumption (in MWh)	6'860	7'280
Electricity ²	4'973	5'427
District heating ³	602	577
Total heating fuels	818	797
Heating oil ⁴	111	114
Natural gas	707	683
Total motor fuels	467	479
Diesel (vehicles and emergency power generator testing) ⁵	277	332
Petrol (vehicles)	190	147
CO₂ emissions (in tCO₂ e) ⁶	1'000	1'095
Scope 1 total ⁷	300	298
Heating fuels	175	170
Motor fuels	122	126
Volatile gases (refrigerants)	4	2
Scope 2 total ⁸	699	797
Electricity ⁹	566	669
District heating	134	128

- 1) Includes the LLB locations in Liechtenstein and Austria as well as Bank Linth. Some consumption data at the Vienna location was estimated based on the previous year's consumption.
- 2) The reduction in electricity consumption compared to 2019 is due, among other things, to the pandemic-related work of a large part of the staff from the home office. In addition, there were several changes at the system boundary at Bank Linth (new branch office in Meilen, changed energy reference areas in various branch offices). However, the influence of these changes on total electricity consumption is negligible.
- 3) The increase in district heating consumption compared to 2019 is due to a property in Liechtenstein that was heavily affected by the pandemic-related home office measures. In order to maintain the required room temperature, a higher heating demand was necessary.
- 4) The data collection on heat consumption for Bank Linth is partially incomplete and will be optimised.
- 5) The significant reduction in diesel consumption is due to the reduced use of diesel vehicles at LLB Austria. Part of this reduction was compensated for in 2020 by increased petrol consumption.
- 6) The greenhouse gas emissions were calculated according to the guidelines of the Greenhouse Gas Protocol. Due to the update of the emission factors in the reporting year, the electricity-related CO₂ emissions for 2019 were subsequently adjusted downwards by around 7 %. Without this adjustment, the electricity-related emissions in 2019 amounted to around 669 tCO₂e.
- 7) Greenhouse gas emissions from own heating boilers, fuels and air conditioning
- 8) Greenhouse gas emissions resulting from the production of purchased electricity and district heating.
- 9) Reported using location-based approach following Greenhouse Gas Protocol Scope 2 Guidance

Partner to climate foundations

LLB is a partner of the independent non-profit LIFE Climate Foundation Liechtenstein (since 2009) and the Swiss Climate Foundation (since 2012). It thus belongs to a group of partner firms that pool their resources to support small and medium-sized enterprises (SMEs) in Switzerland and Liechtenstein. The companies do this in an uncomplicated and efficient manner and, through their activities, help to protect the climate. LLB refunds of CO₂ contributions from Liechtenstein made to the Climate Foundation are used to promote climate-friendly products and technological developments as well as energy-saving projects. SMEs that contribute to climate protection also benefit from this.

Industry initiatives and corporate citizenship

The legal performance mandate of LLB defines the promotion of Liechtenstein as a workplace as its core task. The LLB Group is further committed, as part of various industry initiatives, to a sustainable banking centre and supports various environmental, social and cultural projects (see section "[Sponsoring](#)"). We contribute in this way actively to the prosperity of the population and to the sustainable development of Liechtenstein (see chapter "[Retail & Corporate Banking](#)").

Economic contribution

The LLB Group bases its business policy on market conditions and strives to generate a reasonable profit, all the while respecting ethical and environmental principles. After all, the LLB Group plays an important role in Liechtenstein's economy: its contribution – dividends and direct taxes – amounted to CHF 47.2 million in 2020 (2019: CHF 49.3 million). LLB receives no financial support for its banks or Group companies in Liechtenstein, Switzerland or Austria from any government. As a bank of systemic importance, it is subject to particularly strict financial market regulation and high capital adequacy requirements. With the implementation of the Capital Requirements Directive (CRD IV) and the establishment of the Deposit Guarantee and Investor Compensation Foundation (EAS), Liechtenstein has a modern guarantee system, which guarantees an adequate equity base and protection of client deposits (see chapter "Values and corporate management"). The state guarantee for savings account deposits and medium-term notes (cash bonds) was revoked by mutual agreement of the Landtag (Parliament) and the Government on 1 July 2019.

Major employer in the region

It is important to the LLB Group that its managers understand the mindset and concerns of its clients. And for this reason, almost all of the managers and the majority of employees in the main business locations have their roots in their respective region. As a result, they are highly dedicated to the company and have a high level of integrity. They also take a long-term view, which is very much appreciated by the clients.

To meet the demand for skilled employees, LLB AG relies on commuters who come every day from eastern Switzerland and the Austrian state of Vorarlberg to Liechtenstein. This makes LLB a major regional employer in the Rhine Valley. Bank Linth recruits almost all of its professionals from the Swiss regions of Lake Zurich, Sarganserland and Winterthur.

Participation in industry initiatives

The LLB Group derives from its corporate values and its guiding principles a strong commitment to responsible banking. By participating in various industry initiatives, we bring our ideals to the financial industry and also advance our goals; this applies not least to the area of sustainability.

As an active member of the Liechtenstein Bankers Association (LBA), LLB AG is committed to making Liechtenstein a sustainable financial centre. It has long worked within the framework of the LBA towards making sustainable finance an important pillar of the banking centre's strategy. Behind this is the understanding that the financial industry is crucial in the transformation towards a more sustainable economy. In addition, the LBA became involved during the coronavirus crisis in the "Freude schenken" (Spreading joy) campaign, which helped families and children particularly affected by the

pandemic. LLB not only participated in this initiative financially, but also wholeheartedly backed the idea behind it.

Following our membership in summer 2020 of the UN Principles for Responsible Investment (UN PRI) Finance Initiative, we are committed to the goal of responsible investment management. Social and environmental issues are central to this.

LLB has set up a research project together with the University of Liechtenstein to look at sustainable investment. The purpose of this science-based innovation is to provide new ways of managing sustainability-oriented funds in practice.

Sponsoring

When it comes to the positioning and visibility of the LLB Group, the area of sponsoring and events plays a central role. The aim of our sponsoring strategy is to gain stakeholders as brand ambassadors. We observe thereby the following principles:

- ♦ We want our four values (integrity, respectfulness, excellence and pioneering) to be experienced on an emotional and professional level through our activities.
- ♦ We strengthen and enable platforms and partnerships which fit us best.
- ♦ We coordinate partnerships and our own events Group-wide using a new management tool.
- ♦ We explain what the LLB Group stands for simply, using topic pyramids.

The focus of our sponsoring commitments is on the thematic areas of sports, culture and competence. In these areas, we support various projects and organisations. For example, as part of a long-standing partnership, we provide backing to the junior talent of FC Vaduz. As a partner to the Liechtenstein Olympic Committee, we are the main sponsor of the "Nacht des Sports" (Night of Sports), at which the "LLB Sport Award" is also presented. And we are a presenting partner at the "Olympic Day", a sporting event held annually for all fourth- and fifth-grade school classes in Liechtenstein. To emphasise our strong links to the local economy, we present the "LLB SME Award" in cooperation with the Liechtenstein Chamber of Commerce. This award is normally presented every two years and supports small and medium-sized enterprises. These events could either not take place or took place in a different format in the reporting year because of the coronavirus pandemic. We will, however, continue to be there as a partner in future. We were able though to present the "LLB Business Day Award" as planned. With this award, the LLB Group honours successful women entrepreneurs on the Business Day for Women in Vaduz.

Bank Linth also supports a range of organisations, with a similar focus on the three thematic areas of sports, culture and competence. Among other things, it supports the Walensee stage in Walenstadt and Knie's Kinderzoo in Rapperswil, and is a financial partner of the WIN4 Campus in Winterthur.

LLB Österreich makes donations to numerous organisations engaged in the areas of art, culture and community service. It is also a member of various friends or supporters associations, including those of the Burgtheater, the Leopold Museum and the Albertina. In 2020, the year of the coronavirus pandemic, the bank additionally supported and promoted local Austrian institutions (including the Vienna Boys' Choir) and traditional companies.

The charitable nature of sponsoring undertaken by the LLB Group is placed to the fore. The projects and institutions supported are independent in terms of content and organisation. In 2020, LLB made awards worth CHF 385'000 (2019: CHF 391'000) in Liechtenstein, and Bank Linth awards worth CHF 342'000 (2019: CHF 350,000) in Switzerland. LLB Österreich spent around EUR 100'000 (2019: EUR 150'000) on donations and membership fees in Austria.

Through our many commitments, we contribute significantly to the implementation of the sustainability strategy of the LLB Group. We report comprehensively on these as part of our sustainability reporting in accordance with the internationally used GRI standards.

The non-profit Future Foundation

The "Zukunftsstiftung der Liechtensteinischen Landesbank AG" (the Future Foundation of Liechtensteinische Landesbank AG), which was founded in 2011 as part of our 150th anniversary

celebrations, supports commitment to social and ecological sustainability in everyday life. We support organisations and non-profit projects that improve living and working conditions and promote self-responsibility. Besides this, we promote projects dedicated to environmental protection. We focus on innovations in the areas of knowledge transfer as well as the integration and implementation of social entrepreneurship.

Trust, responsibility and reliability are important to the LLB Group. The company is closely connected to the people and the economy of Liechtenstein and the other home markets of the LLB Group. In addition to project-specific contributions amounting to CHF 29'000, the Future Foundation contributed to society by donating a total of CHF 85'500 to 24 social organisations in 2020. The Future Foundation is a member of the network of the "Vereinigung liechtensteinischer gemeinnütziger Stiftungen" (Association of Liechtenstein Non-Profit Foundations), which aims to promote the idea of entrepreneurial philanthropy.

Projects in 2020

Through its annual donations to a set circle of social institutions in Liechtenstein, the Future Foundation helps to maintain healthy social structures in the country. Providing additional funding to individual projects helps innovative ideas in the area of social and ecological development in the LLB Group's market regions to be realised in practice.

Over the past ten years, the Future Foundation has made almost 190 donations and contributions to roughly 60 projects, in all totalling over CHF 1.3 million. The projects receiving funding contributions are targeted and located in the market regions of LLB and Bank Linth (Liechtenstein and eastern Switzerland) as well as LLB Österreich. In 2020, the Future Foundation supported the following projects:

- ♦ **Verein Ackerschafft:** The "GemüseAckerdemie" (Vegetable Academy) is an educational programme for primary schools, kindergartens and day nurseries from the Ackerschafft association. It puts gardening on the curriculum and through it children learn not only about how things are connected in nature but also about healthy nutrition.
- ♦ **Zukunft.li Foundation:** LLB has been backing this think tank, which addresses economic and socio-political topics relevant to the sustainable development of Liechtenstein and the securing of its future, for the past seven years.
- ♦ **pepperMINT:** The MINT Initiative Liechtenstein is a social foundation that offers children and young people the chance to experience and learn mathematics, computer science, natural science and technology in a fun way.

Organisational structure

on 1 January 2021

Position	Surname Name
Board of Directors	Gabriela Nagel-Jungo, Vice Chairwoman * Patrizia Holenstein Urs Leinhäuser
Group Internal Audit	Patrick Helg
Group Executive Board	Roland Matt, Group CEO Urs Müller, Vice Group CEO Gabriel Brenna
Group CEO	Roland Matt
Group Corporate Communications & Sustainability	Cyrill Sele
Group Marketing	Michaela Alt
Group Human Resources	Bernd Moosmann
CEO Bank Linth	David B. Sarasin
Retail & Corporate Banking	Urs Müller
Retail & Corporate Banking Liechtenstein	Eduard Zorc
Retail & Corporate Banking Switzerland	Luc Schuurmans
Private Banking	Gabriel Brenna
Private Banking Liechtenstein / Schweiz	Martin Heutschi
Private Banking Switzerland	Luc Schuurmans
Private Banking Germany / Austria	Boris Wistawel
Private Banking Austria	Robert Löw
Private Banking Middle East	Ludovic Pernot
Private Banking Central Eastern Europe	Jean-Marie Deluermoz
Group Produkt Management	Ivan Ziegler
Institutional Clients	Natalie Flatz
Financial Intermediaries	Norman Marxer
Fund Services	Bruno Schranz
Asset Management	Markus Wiedemann
Institutional Clients Austria	Harald Friedrich
Group CFO	Christoph Reich
Group Finance	Markus Schifferle
Group Credit & Riskmanagement	Martin Kaindl
Group Legal & Compliance	Roger Dornier
CFO Bank Linth	Martin Kaindl
CFO LLB AT	Gerd Scheider
Group COO	Patrick Fürer
Group Corporate Development	Jan-Friedrich Brünings
Group IT	Stefan Alder
Group Operations & Services	Sascha Strazzer
COO LLB AT	Selim Alantar

* Following the resignation of Chairman Georg Wohlwend, Gabriela Nagel-Jungo has taken over as Chairwoman of the Board of Directors until the Annual General Meeting in May 2021.

Group companies

on 1 January 2021

Liechtensteinische Landesbank (Österreich) AG (100 %)

- ♦ Gabriel Brenna, Chairman
- ♦ Christoph Reich, Vice Chairman
- ♦ Natalie Flatz
- ♦ Patrick Fürer
- ♦ Roland Matt
- ♦ Bernd Moosmann
- ♦ Ewald Nageler
- ♦ Bernhard Ramsauer
- ♦ Franz-Erwein Nostitz-Rieneck (delegated by the works council)
- ♦ Karin Leeb (delegated by the works council)
- ♦ Willibald Katzenschlager (delegated by the works council)
- ♦ Hans-Georg Tuschek (delegated by the works council)

Board of Management

- ♦ Robert Löw, Chairman
- ♦ Harald Friedrich, Vice Chairman
- ♦ Gerd Scheider
- ♦ Selim Alantar

LLB Asset Management AG (100 %)

- ♦ Natalie Flatz, Chairwoman
- ♦ Gabriel Brenna, Vice Chairman
- ♦ Christoph Reich
- ♦ Urs Müller

Board of Management

- ♦ Markus Wiedemann, Managing Director
- ♦ Christian Zogg

Bank Linth LLB AG (74.9 %)

- ♦ Urs Müller, Chairman
- ♦ Ralph Peter Siegl, Vice Chairman
- ♦ Gabriel Brenna
- ♦ Karin Lenzlinger Diedenhofen
- ♦ Christoph Reich

Board of Management

- ♦ David Sarasin, CEO
- ♦ Luc Schuurmans, Vice CEO
- ♦ Martin Kaendl, CFO

LLB Fund Services AG (100 %)

- ◆ Natalie Flatz, Chairwoman
- ◆ Stefan Rein, Vice Chairman
- ◆ Peter Meier

Board of Management

- ◆ Bruno Schranz, Managing Director
- ◆ Silvio Keller
- ◆ Patric Gysin

LLB Swiss Investment AG (100 %)

- ◆ Natalie Flatz, Chairwoman
- ◆ Bruno Schranz, Vice Chairman
- ◆ Hans Stamm

Board of Management

- ◆ Dominik Rutishauser, CEO
- ◆ Ferdinand Buholzer

Corporate Governance

Corporate governance is an essential part of the LLB Group's corporate policy. It ensures efficient collaboration between the management bodies and a clear balance between responsibilities and controls.

Basis

Our responsibly minded management, which is focused on long-term added value, is characterised by efficient cooperation between the Group Executive Board and the Board of Directors, by transparent accounting and reporting as well as by good shareholder relations.

The principles and directives defining corporate governance are laid down in two laws: "the law concerning the control and supervision of public companies" (ÖUSG) of 19 November 2009 and the Law on the Liechtensteinische Landesbank (LLBG) of 21 October 1992. In addition, they are laid down in the statutes and rules of procedure of the LLB. These documents are based on the directives and recommendations of the "Swiss Code of Best Practice for Corporate Governance" issued by the Swiss Business Federation (economiesuisse).

On 22 November 2011, the Liechtenstein Government as the representative of the principal shareholder, the Principality of Liechtenstein, adopted – with reference to the ÖUSG Law – a so-called participation strategy for Liechtensteinische Landesbank AG. This strategy defines how the Principality intends to deal with its majority shareholding in the medium and long term and therefore also provides minority shareholders with certainty in planning.

The Government commits itself to the stock exchange listing of the LLB and a majority participation of at least 51 percent. The Government represents the shareholder interest of the Principality at the General Meeting of Shareholders pursuant to the rights afforded to it by stock corporation law. It observes corporate autonomy as well as the rights and obligations resulting from the stock exchange listing. At the same time, as a shareholder it also respects the decision-making authority of the Board of Directors concerning corporate strategy and corporate policy. In accordance with Art. 16 of the ÖUSG Law, the participation strategy was adopted after consultation with the LLB's Board of Directors. Further information can be found at www.llb.li/participation-strategy.

The Board of Directors of the LLB Group has held the "Best Board Practice" label of the Swiss Association for Quality and Management Systems (SQS) and the Liechtenstein Association for Quality Assurance Certificates (LQS) since December 2010. Both SQS and LQS reconfirmed on 28 January and 21 February respectively that the business activities and organisation of the LLB Board of Directors exhibit a constantly high level of quality and consistently fulfil the Best Board Practice criteria. On the basis of this, the label was awarded again for a further three years.

The following corporate governance report complies with the requirements of the Corporate Governance Directive (RLCG) of the SIX Swiss Exchange Regulation, status 20 June 2019, as well as the fully revised guidelines of the Six Exchange Regulation regarding the RLCG of 10 April 2017. If information required by the RLCG is disclosed in the notes to the financial statement, a corresponding reference is shown.

This corporate governance report reflects the status per 31 December 2020. Any significant changes that may have taken place between the balance sheet date and the editorial deadline for the annual report are disclosed in the chapter "Important changes since the balance sheet date", or in a clearly designated manner next to the relevant point.

1 Group structure and shareholders

1.1 Group structure

1.1.1 Description of the operative structure

The Liechtensteinische Landesbank is a public company ("Aktiengesellschaft") according to Liechtenstein law. It is the parent company of the LLB Group, which is based on a parent company structure.

The LLB Group has a divisional management structure which is divided into six divisions. Besides the three market divisions "Retail & Corporate Banking", "Private Banking" and "Institutional Clients", the management structure encompasses the functions of Group Chief Executive Officer (Group CEO), Group Chief Financial Officer (Group CFO) and Group Chief Operating Officer (Group COO).

The rules of procedure adopted by the Board of Directors, in particular, the functions diagram in the appendix ensure the proper conduct of business, the appropriate organisation, as well as the uniform management of the LLB Group. In accordance with the functions diagram, the Board of Directors, the Chairman of the Board of Directors, the committees of the Board of Directors, the Group CEO and the Group Executive Board are decision-making authorities.

The functions of the Board of Directors and the Group Executive Board of the LLB Group are combined with those of the Board of Directors and the Board of Management of the LLB parent company. Within the scope of the duties and powers defined by the rules of procedure and the functions diagram, the above-mentioned authorities can make decisions and issue rulings that are binding for both the parent company and the LLB Group companies – but taking into consideration the provisions of current local law applicable to the individual Group companies.

The members of the Group Executive Board are represented on the Boards of Directors of the consolidated companies. A member of the Group Executive Board serves as the Chairman of the Board of Directors of a subsidiary company.

The organisational structure of the LLB Group as at 1 January 2021 can be found [here](#). The detailed segment reports are shown [here](#).

1.1.2 Listed companies included in the scope of consolidation

The Liechtensteinische Landesbank, with its headquarters in Vaduz, is listed on the SIX Swiss Exchange. As at 31 December 2020, its market capitalisation stood at CHF 1'617.0 million (30'800'000 registered shares at a nominal value of CHF 5.00 at a year-end price of CHF 52.50).

Bank Linth LLB AG, with its headquarters in Uznach, in which the Liechtensteinische Landesbank holds a majority equity stake of 74.9 percent, is also listed on the SIX Swiss Exchange. As at 31 December 2020, its market capitalisation stood at CHF 406.7 million (805'403 registered shares with a nominal value of CHF 20.00 at a year-end price of CHF 505.00).

1.1.3 Unlisted companies included in the scope of consolidation

Details of the unlisted companies included in the scope of consolidation (company, registered office, activities, share capital and equity interest) can be found in the notes to the consolidated financial statement of the LLB Group in the table "[Scope of consolidation](#)".

1.2 Major shareholders

The Principality of Liechtenstein is the major shareholder of the Liechtensteinische Landesbank. The Law on the Liechtensteinische Landesbank states that – in terms of capital and voting rights – the Principality of Liechtenstein must hold at least 51 per cent of the shares. These may not be sold.

At the end of 2020, the Principality's equity stake in the shares of the Liechtensteinische Landesbank remained unchanged at 57.5 percent. Detailed information about the development of this equity stake can be found at www.llb.li/capital+structure.

At 31 December 2020, the Haselsteiner Familien-Privatstiftung, Ortenburger Strasse 27, 9800 Spittal / Drau, Austria, and grosso Holding Gesellschaft mbH, Walfischgasse 5, 1015 Vienna, Austria, held 1'805'000 shares, or a share of 5.9 per cent of the capital and voting rights of LLB (<https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html#notificationId=TBI6P00024>). The Haselsteiner Familien-Privatstiftung and grosso Holding Gesellschaft mbH constitute a shareholder group. The voting rights will be exercised in mutual agreement between the parties.

The remaining registered shares were in free float, whereby none of the other shareholders held more than 3 per cent of the share capital.

Liechtensteinische Landesbank AG held, directly or indirectly, a total of 288'410 of its own registered shares (0.9 % of the share capital) at 31 December 2020. No shares were cancelled so that the capital structure remained the same. The repurchased shares are to be used for the purpose of future acquisitions or for Treasury management purposes.

Less than 0.4 per cent of the share capital was held by members of the Board of Directors and the Group Executive Board. There are no binding shareholder agreements.

1.3 Cross participations

There are no cross participations between Liechtensteinische Landesbank AG and its subsidiaries or third parties.

Company	Reg. office	Listed on	Market capitalisation (in CHF thousands)	Stake (in %)	Segment	Security number	ISIN number
Liechtensteinische Landesbank AG	Vaduz	SIX Swiss Exchange	1'617'000		International Reporting Standard	35514757	LI0355147575
Bank Linth LLB AG	Uznach	SIX Swiss Exchange	406'729	74.9	Swiss Reporting Standard	130775	CH0001307757

2 Capital structure

2.1 Capital

The share capital of the Liechtensteinische Landesbank comprised 30'800'000 registered, fully paid shares with a nominal value of CHF 5.00 each and therefore amounted to CHF 154.0 million.

2.2 Conditional and approved capital

On the balance sheet date, the Liechtensteinische Landesbank had no conditional capital and no approved capital.

2.3 Changes to capital

The share capital amounts to CHF 154 million and has not changed during the last three years. The LLB Group's equity totalled CHF 2'010 million on 31 December 2018 and CHF 2'060 million on 31 December 2019 and CHF 2'138 million on 31 December 2020.

See table "[Consolidated statement of changes in equity](#)" for the composition and changes to capital during the last two report years.

in CHF thousands	31.12.2020	31.12.2019	31.12.2018
Share capital	154'000	154'000	154'000
Share premium	- 13'177	- 22'432	- 21'157
Treasury shares	- 18'663	- 23'574	- 8'195
Retained earnings	1'902'316	1'866'121	1'815'053
Other reserves	- 20'911	- 44'803	- 53'388
Total	2'003'565	1'929'312	1'886'313
Non-controlling interests	134'028	130'785	123'391
Total equity	2'137'593	2'060'097	2'009'705

2.4 Shares and participation certificates

As at 31 December 2020, the share capital amounted to 30'800'000 fully paid registered shares with a nominal value of CHF 5.00. With the exception of the LLB shares held by the Liechtensteinische Landesbank and its subsidiaries (288'410 shares), all the shares are eligible for dividend. As at 31 December 2020, share capital eligible for dividend therefore amounted to CHF 152.6 million. In principle, all LLB shares are eligible for voting according to the principle of "one share, one vote". However, on account of the regulations concerning the purchase of own shares (Art. 306a ff. PGR / Liechtenstein Person and Company Law), the shares held by Liechtensteinische Landesbank and its subsidiaries are not eligible for voting. There are no priority rights or similar entitlements. Shareholders have a subscription right with the issue of new shares, which entitles them to subscribe to new shares in proportion to the number of shares they already hold.

Liechtensteinische Landesbank AG has not issued participation certificates.

2.5 Profit-sharing certificates

Liechtensteinische Landesbank AG has no outstanding profit-sharing certificates

2.6 Transfer limitations and nominee registrations

The registered shares of Liechtensteinische Landesbank are fully transferable, whereby the Principality of Liechtenstein holds at least 51 per cent of the capital and voting rights, and may not sell this equity stake.

The Liechtensteinische Landesbank maintains a share register containing the names of the owners of registered shares. Upon request, the purchasers of registered shares are entered in the share register as shareholders having a voting right provided that they expressly render a declaration that they have purchased these shares in their own name for their own account. If the purchaser is not prepared to render such a declaration, the Board of Directors can refuse to enter the shares with voting rights in the register. Pursuant to Art. 5a of the Statutes (www.llb.li/statutes), the Board of Directors has specified that nominee registrations without the above-mentioned declaration are generally to be made without a voting right. The legal refusal of registration in the share register on important grounds remains reserved.

2.7 Convertible bonds and options

As at 31 December 2020, the Liechtensteinische Landesbank had no convertible bonds or options on its own shares outstanding.

On 7 May 2019, LLB made a fixed interest bond issue totalling over CHF 150 million. The term to maturity amounts to seven years and the yield on maturity will be 0.07 per cent. The bond has been listed on the SIX exchange since 27 May 2019 (ISIN: CH0419041204) and is traded on the secondary market.

On 4 September 2019, LLB made a further fixed interest bond issue totalling CHF 100 million. The term to maturity amounts to ten years and the yield on maturity will be -0.16 per cent. The bond has been listed on the SIX exchange since 27 September 2019 (ISIN: CH0419041527) and is traded on the secondary market.

On 27 August 2020, LLB made a fixed interest bond issue totalling over CHF 150 million. The term to maturity amounts to ten years and the yield on maturity will be 0.29 per cent. The bond has been listed on the SIX exchange since 23 September 2020 (ISIN: CH0536893255) and is traded on the secondary market.

3 Board of Directors

a) Name, nationality, education and professional career

Name	Year of birth	Profession	Nationality
Gabriela Nagel-Jungo *	1969	Professor of financial management	CH
Patrizia Hostenstein	1957	Lawyer	CH
Urs Leinhäuser	1959	Business economist	CH
Thomas Russenberger	1975	Head of Group Human Resources	FL
Richard Senti	1964	Business economist	FL
Karl Sevelda	1950	Bank manager (ret.)	AT

* The Vice Chairwoman Gabriela Nagel-Jungo took over the duties and responsibilities of the Chair of the Board of Directors on 4 November 2020, and she will continue in this role until the General Meeting on 7 May 2021. In accordance with the special legal regulations pertaining to Liechtensteinische Landesbank, the responsibility for electing the Chair of the Board of Directors lies with the General Meeting of Shareholders. On 3 November 2020, Georg Wohlwend stood down as Chairman of the Board of Directors of Liechtensteinische Landesbank. The reason for this step was the preliminary judicial investigations initiated against him by the Liechtenstein Public Prosecutor's Office over suspicions of insider trading. The proceedings were not connected to his activities on behalf of the LLB Group. To avoid any adverse effect on LLB, Georg Wohlwend immediately announced his resignation from the Board of Directors. In mid December 2020, the public prosecution service ceased its preliminary investigations. The Board of Directors of LLB is very pleased that the facts of this case have been completely clarified and that the proceedings against Georg Wohlwend have been discontinued. The Board therefore proposes to the General Meeting on 7 May 2021 that he be re-elected as Chairman of the Board of Directors.

b) Executive / non-executive members

All members of the Board of Directors of Liechtensteinische Landesbank AG are non-executive members. Pursuant to Art. 22 of the Liechtenstein banking law in connection with Art. 10 of the Law on the Liechtensteinische Landesbank, various special bodies must be constituted for the direction, supervision and control of a bank, on the one hand, and for the Board of Management or Group Executive Board, on the other hand. No member of the Board of Directors is allowed to be a member of the Board of Management or Group Executive Board.

c) Independence

All members of the Board of Directors are independent within the context of the Swiss Exchange "Directive Corporate Governance" concerning corporate governance information. In 2020, as well as in the three previous years, no member of the Board of Directors was a member of the Group Executive Board or the Board of Management of the Liechtensteinische Landesbank or a Group company. No member of the Board of Directors had significant business relationships with the Liechtensteinische Landesbank or a Group company. In accordance with Art. 12 of the Liechtenstein law concerning the control and supervision of public companies, all contracts with the members of the Board of Directors must be in writing and they must be approved by the Board of Directors. The same conditions apply to contracts concluded with third parties.

3.1 Member



Gabriela Nagel-Jungo

Vice Chairwoman, Professor of financial management
1969, CH

Education:

- ♦ Licentiate in economics, University of Zurich, 2001
- ♦ Teaching diploma in business subjects, 2004
- ♦ Dr. oec. publ., University of Zurich, 2007
- ♦ Professor of Financial Management, awarded by ZFH, 2011
- ♦ Dipl. Digital Transformation Officer, 2019

Professional career:

- ♦ Semester assistant at the Chair for Business Administration, Swiss Federal Institute of Technology (ETH) Zurich, 1998 – 1999
- ♦ Head of Financial Accounting and Payroll, netto-netto AG, Wetzikon, 2002 – 2005
- ♦ Assistant at the Institute for Accounting and Controlling (Prof. Dr. C. Meyer), University of Zurich, 1999 – 2007
- ♦ Lecturer and project leader, Zurich University of Applied Sciences, since 2007
- ♦ Head of the Centre for Accounting & Controlling, Zurich University of Applied Sciences, since 2010 (2016 upgraded to "Institute for Financial Management")
- ♦ Deputy Head of the Department of Banking, Finance, Insurance, Zurich University of Applied Sciences, since 2011



Patrizia Holenstein

Lawyer
1957, CH

Education:

- ♦ Licentiate in law, University of Zurich, 1980
- ♦ Dr. iur. University of Zurich, 1981
- ♦ Admitted to the Zurich bar, 1985
- ♦ LLM, London School of Economics, 1989

Professional career:

- ♦ Lecturer at the University of Zurich, 1981 – 1984
- ♦ Clerk, District Court of Zurich and Supreme Court of the Canton of Zurich, 1981 – 1985
- ♦ Lawyer, Haymann & Beglinger, Zurich, 1985 – 1988
- ♦ Lawyer, Clifford Chance London (Banking Department), London 1989 – 1990
- ♦ Holenstein Brusa AG, Zurich, Founder and Managing Partner, since 1990



Urs Leinhäuser
Business economist
 1959, CH

Education:

- ♦ Business economist HWV, 1983
- ♦ IMD Lausanne, SSE 1998

Professional career:

- ♦ Tax inspector, Tax Office of Canton Schaffhausen, 1983 – 1986
- ♦ Deputy Head of Tax Department, Refidar Moore Stephens AG, Zurich, 1986 – 1988
- ♦ Group Controller and Managing Director Cerberus Denmark (1992) at Cerberus AG, Männedorf, 1988 – 1994
- ♦ Head of Group Controlling and CFO of Piping Systems Division, Georg Fischer AG, Schaffhausen, 1995 – 1999
- ♦ CFO and Member of the Group Executive Board, Mövenpick Holding AG, Adliswil, 1999 – 2003
- ♦ CFO and Head of Corporate Center and Member of Corporate Management, Rieter Holding AG, Winterthur, 2003 – 2011
- ♦ CFO and Deputy CEO and Member of Corporate Management, Autoneum Holding AG, Winterthur, 2011 – 2014
- ♦ Businessman, since 2014
- ♦ Managing Partner of ADULCO GmbH, Schaffhausen, since 2016



Thomas Russenberger
Personnel manager
 1975, FL

Education:

- ♦ Bachelor of Science, Business Information Systems, University of Liechtenstein, 2004
- ♦ Master of Business Administration (MBA) in Entrepreneurship, University of Liechtenstein, 2007

Professional career:

- ♦ thyssenkrupp Presta AG, Eschen, Project Head Organisational Development, 2000 – 2005
- ♦ thyssenkrupp Presta AG, Eschen, Head HR Services for the Technical and Commercial Divisions, 2005 – 2010
- ♦ thyssenkrupp Presta AG, Eschen, Head HR Services, 2010 – 2013
- ♦ thyssenkrupp Presta AG, Eschen, Global Head of Human Resources tk Steering Group, since 2013



Richard Senti
Business economist
1964, FL

Education:

- ♦ Degree in economics, University of St. Gallen, 1989
- ♦ Dr.oec. HSG, University of St. Gallen, 1994

Professional career:

- ♦ Assistant at the University of St. Gallen, 1988 – 1990
- ♦ Controller in the Drilling Systems Division, Hilti AG, Schaan 1991 – 1994
- ♦ Head of Controlling of the Direct Fastening Business Unit, Hilti AG, Schaan 1994 – 1998
- ♦ Head of Finances, Logistics and Human Resources of Hilti CR s.r.o., Prague 1998 to 2000
- ♦ Head of Finance and Accounting (CFO) of the Infratec Division, Von Roll Infratec Holding AG, Zurich 2000 – 2003
- ♦ CFO of the Hoval Group, Vaduz 2003 - 2020
- ♦ Chairman of the Board of Directors of the Hoval Group, since September 2020



Karl Sevelda
Bank manager (retired)
1950, AT

Education:

- ♦ Licentiate in social and economic sciences at the Vienna University of Economics and Business, 1973
- ♦ Assistant at the Economic Policy Institute and freelance research at the Federal Ministry of Science and Research, Vienna, 1973 – 1976
- ♦ Doctorate in social and economic science from the Vienna University of Economics and Business, 1980

Professional career:

- ♦ Adviser for commercial credits and export financing at the Creditanstalt-Bankverein, 1977 – 1983
- ♦ Head of economics at the Office of the Federal Minister of Trade, Commerce and Industry, 1983 – 1985
- ♦ Creditanstalt-Bankverein London and New York, 1985
- ♦ Various management functions at the Creditanstalt-Bankverein (Senior Head of the Export Financing Department, Deputy Head of the Financing Division, Head of the international Corporations and Insurance Division, Head of the Corporate Clients Division), 1986 – 1997
- ♦ Member of the Executive Board responsible for corporate client business and worldwide corporate, trade and export finance at the Raiffeisen Zentralbank Österreich AG, 1998 – 2013
- ♦ Deputy CEO, Raiffeisen Bank International AG, 2010 – 2013
- ♦ CEO, Raiffeisen Bank International AG, 2013 – 2017
- ♦ Chairman of the Supervisory Board, Semper Constantia Privatbank AG, 2017 – 2018

3.2 Other activities and commitments

- ♦ **Gabriela Nagel-Jungo** is a Member of the Board of Directors of Ruetschi Technology AG, Muntelier, and of the GVZ Building Insurance Institute of Canton Zurich.
- ♦ **Patrizia Holenstein** is a Member of the Board of Directors of Argos Holding AG, Sarnen, as well as of Oase Holding AG, Baar und Bellerive Estates AG, Zurich.
- ♦ **Urs Leinhäuser** is a Member of the Board of Directors of Burckhardt Compression Holding AG, Winterthur, of Ammann Group Holding, Berne, of VAT Group, Haag, of Pensador Partner AG, Zurich, as well as Chairman of the Board of Directors of AVESCO AG, Langenthal.
- ♦ **Thomas Russenberger** is Chairman of the Foundation Board the "Presta Stiftung" pension fund, Eschen.
- ♦ **Karl Sevelda** is a member of the Supervisory Board of SIGNA Development Selection AG and SIGNA Prime Selection AG, Vienna / Innsbruck, as well as a member of the Board of Directors of RHI Magnesita NV, Arnhem (NL) / Vienna. Furthermore, he is a member of the Foundation Board of CUSTOS Privatstiftung, Graz, Chairman of EcoAustria Economic Research Institute, Vienna, and Chairman of the Austrian Financial Reporting Enforcement Panel.

Otherwise the Members of the Board of Directors are not involved in the management or supervisory boards of important Liechtenstein, Swiss or foreign private or public law corporations, establishments or foundations, nor do they exercise any permanent management or consultancy functions for important Liechtenstein, Swiss or foreign interest groups, nor do they perform official functions or hold political office.

3.3 The number of permitted activities

Liechtensteinische Landesbank AG is not subject to the Swiss ordinance against excessive compensation in listed public companies (OaEC). Liechtensteinische Landesbank AG has not issued any regulations on the number of permitted activities.

3.4 Election and term of office

In accordance with the Law on the Liechtensteinische Landesbank of 21 October 1992, the Board of Directors of the Liechtensteinische Landesbank is composed of five to seven members, who are elected individually by the General Meeting of Shareholders for a term of office of three years; whereby a year corresponds to the period from one ordinary General Meeting of Shareholders to the next. Members can be re-elected for a further two terms. After three terms of office, the Chairman of the Board of Directors can – in justified cases – be re-elected for an extraordinary term of office of at most two years.

The "Group regulation concerning the Group Nomination & Compensation Committee" (see point "[Composition of all Board of Directors' committees, their duties and individual competences](#)") stipulates that the Board of Directors aims at continuity through the orderly renewal of the Board, succession planning, as well as through the appropriate staggering of the terms of office (no complete renewal) pursuant to current corporate governance provisions.

The Chairman of the Board of Directors is elected by the General Meeting of Shareholders. The Vice Chairman is elected from among the members of the Board of Directors by its members. New members or the Chairman of the Board of Directors elected as substitutes shall be elected for a full term of office of three years. The General Meeting of Shareholders can dismiss members of the Board of Directors on important grounds.

Georg Wohlwend was Chairman of the Board of Directors until 3 November 2020. Gabriela Nagel-Jungo, Vice Chairwoman since 2018, took over the duties and responsibilities of the Chair of the Board of Directors on 4 November 2020, and she will continue in this role until the General Meeting on 7 May 2021. Cyrill Sele has been Secretary (recorder of the minutes) since April 2013.

3.4.1 First-time election and remaining term of office

Name	First-time appointment	Elected until
Gabriela Nagel-Jungo	2014	2023
Patrizia Holenstein	2013	2022
Urs Leinhäuser	2014	2023
Thomas Russenberger	2018	2021
Richard Senti	2018	2021
Karl Sevelda	2019	2022

3.5 Internal organisation

Name	Function	Committee memberships
Gabriela Nagel-Jungo	Vice Chairwoman	Group Audit Committee * Group Nomination & Compensation Committee Group Strategy Committee *
Patrizia Holenstein	Member	Group Audit Committee Group Risk Committee
Urs Leinhäuser	Member	Group Audit Committee Group Risk Committee Group Strategy Committee
Thomas Russenberger	Member	Group Nomination & Compensation Committee *
Richard Senti	Member	Group Risk Committee * Group Nomination & Compensation Committee
Karl Sevelda	Member	Group Strategy Committee

* Chair

3.5.2 Composition of all Board of Directors' committees, their tasks and terms of reference

In accordance with the statutes, the Board of Directors may according to its discretion appoint committees. To support it in performing its tasks, the Board has so far implemented four standing committees: the Group Nomination & Compensation Committee, the Group Audit Committee, the Group Risk Committee and the Strategy Committee. The Board of Directors elects the committee members from among its members and appoints the chairmen. The Chairman of the Board of Directors can principally not be elected to the Group Audit Committee or the Group Risk Committee. Each committee is composed of at least three members. As preparatory bodies, these committees deal in detail with the tasks assigned to them, submit the results of their work to the Board of Directors and make proposals if decisions are required.

The committee members must possess the expertise for the tasks and duties they have taken on. All committee members must be independent.

Terms of office on committees correspond to the length of terms of office on the Board of Directors. Committee membership also ends when members step down from the Board of Directors

The Board of Directors has issued separate regulations for the three standing committees, the Group Nomination & Compensation Committee, the Group Audit Committee, the Group Risk Committee, which stipulate their duties and individual competencies.

The committees can invite outside persons as experts and entrust LLB staff, in particular, with administrative duties.

Group Audit Committee

Das Group Audit Committee ist im Sinne von Art. 22 Abs. 2a BankG aufgesetzt und unterstützt den The Group Audit Committee is set up pursuant to Art. 22, Para. 2a of the Banking Law and supports the Board of Directors in fulfilling the duties and responsibilities vested in it by banking law with respect to its duty of overall direction of the company, as well as supervision and control (Art 23 banking law).

The Group Audit Committee regulation lays down the organization, as well as the competencies and responsibilities of the Committee, in so far as these are not prescribed by law, the statutes or the rules of procedure. The following persons are members of the Group Audit Committee:

Name	Function
Gabriela Nagel-Jungo	Chairwoman
Patrizia Holenstein	Member
Urs Leinhäuser	Member

According to Appendix 4.3 of the Banking Ordinance, "Guidelines concerning internal controls according to Art. 7a and Art. 21c ff. of the Banking Law", the Group Audit Committee mainly concerns itself with

the methodology and quality of the external auditors, the quality of financial reporting, as well as the collaboration between the internal and external auditors and their independence.

The Group Audit Committee assesses the quality and integrity of the financial reporting including the structure of the financial accounting function, the financial controlling and financial planning.

This includes:

- ♦ Petitioning the Board of Directors about whether the LLB Group's Consolidated Annual Report and the financial statement of the parent bank can be presented to the General Meeting of Shareholders and published; and whether the Consolidated Interim Financial Report can be published;
- ♦ Monitoring and assessing the suitability and effectiveness of the internal control system in the area of financial reporting;
- ♦ Assessing the documentation regarding forthcoming amendments of the accounting principles;
- ♦ Evaluating the budgeting process as well as the budget proposal of the Group Executive Board for the following year and submitting a proposal to the Board of Directors as the approval body.

Group Risk Committee

The Group Risk Committee is set up pursuant to Art. 22, Para. 2a of the Banking Law and Art. 21e of the Banking Ordinance and supports the Board of Directors in fulfilling the duties and responsibilities vested in it by banking law with respect to its duty of overall direction of the company, as well as supervision and control (Art 23 banking law).

The Group regulation concerning the Group Risk Committee lays down the organization, as well as the competencies and responsibilities of the Committee, in so far as these are not prescribed by law, the statutes or the rules of procedure. The following persons are members of the Group Risk Committee:

Name	Function
Richard Senti	Chairman
Patrizia Holenstein	Member
Urs Leinhäuser	Member

The Group Risk Committee has the following risk-related tasks:

- ♦ The provision of advice to the Board of Directors on the current and future overall risk tolerance and strategy of the LLB Group;
- ♦ The supporting of the Board of Directors in monitoring the implementation of the risk strategy by the Group Executive Board;
- ♦ The monitoring of the integrity and suitability of the risk management in the LLB Group, which is based on risk policy, in particular, in regard to market, credit and liquidity risks, as well as operational risks;
- ♦ The assessment of the integrity and suitability of the internal control system in regard to the identification, measurement, limitation and monitoring of risks. In the areas of compliance and risk control this includes, in particular, the assessment of the precautions that are to ensure the observance of the legal (e.g. capital adequacy, liquidity and risk distribution regulations) and bank-internal (e.g. risk policy framework) provisions. In the area of operational risk management this encompasses, in particular, the annual review of the OpRisk Assessment of the LLB Group, which is based on the risk taxonomy;
- ♦ The supporting of the Board of Directors to formulate and implement the risk-relevant Group rulings and directives issued by it as well as the relevant guidelines and processes that are set down in these rulings and directives;
- ♦ The assessment, at least on an annual basis, of the Groupwide policy on risks (e.g. risk policy framework). In doing so, the concerned authorities are to be consulted and the suggestions and proposals of the Group Executive Board are to be considered. A proposal is then to be made to the Group Board of Directors as the approving authority. All risk-relevant Group rulings and directives that have to be approved by the Group Board of Directors are to be treated accordingly;
- ♦ The assessment of the results of the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy process (ILAAP);
- ♦ The examination of the risk propensity within the scope of the risk-bearing capacity statement. This is performed both from the perspective of the going concern and also of the gone concern. Based on

the risk appetite, the Group Risk Committee can propose adjustments to the limits system to the Board of Directors;

- ♦ The assessment of the overall risk situation and supervising adherence to the limits set by the Board of Directors;
- ♦ The discussion and assessment of the annual risk report of the LLB Group and the submission of a proposal to the Group Board of Directors as the approving authority;
- ♦ The discussion and assessment of the annual legal and compliance risk report of the LLB Group and the submission of a proposal to the Group Board of Directors as the approving authority;
- ♦ The examination of whether the pricing of the investments and liabilities takes into reasonable consideration the business model and the risk strategy of the LLB Group and, if this is not the case, the submission of a plan of appropriate measures;
- ♦ The examination of whether the incentives offered in the compensation system take into consideration risk, capital, liquidity and the probability and timing of earnings.

Group Nomination & Compensation Committee

The Group Nomination & Compensation Committee is set up pursuant to Art. 22, Para. 2a of the Banking Law and Art. 29b of the Banking Ordinance, as well as Appendix 4.4.2 of the Banking Ordinance "Compensation Committee and Risk Committee". It supports the Board of Directors in fulfilling the duties and responsibilities vested in it by banking law with respect to its duty of overall direction of the company, as well as supervision and control (Art 23 Banking Law).

The Group regulations concerning the Group Nomination & Compensation Committee regulate the organisation, working methods, as well as the competences and responsibilities of the committee, in so far as these are not prescribed by law, the statutes or the rules of procedure. The following persons are members of the Group Nomination & Compensation Committee:

Name	Function
Thomas Russenberger	Chairman
Gabriela Nagel-Jungo *	Member
Richard Senti	Member

* Following the resignation of Georg Wohlwend as Chairman of the Board of Directors, Gabriela Nagel-Jungo has been a member of the Group Nomination & Compensation Committee in his place since 4 November 2020.

On behalf of the Board of Directors and the Group Executive Board, the Group Nomination & Compensation Committee strives to achieve the following goals while complying with the applicable principles of corporate governance:

- ♦ A balanced composition of the bodies taking into consideration the professional knowledge and skills, diversity and personal suitability required by the bank;
- ♦ Continuity thanks to planned renewal and succession as well as a reasonable staggering of terms of office (no complete renewal);
- ♦ The smooth transfer of functions and official responsibilities thanks to a systematic introduction to the specific tasks and operations of the bank.

Furthermore, the Group Nomination & Compensation Committee is responsible for the following tasks and duties:

- ♦ The annual evaluation of the structure, size, composition and performance of the Board of Directors and the Group Executive Board and, if necessary, the recommendation of changes;
- ♦ The annual evaluation of the knowledge, abilities and experience of the individual members of the Board of Directors and the Group Executive Board, as well as its bodies;
- ♦ The submission of the evaluation to the Board of Directors and the Group Executive Board;
- ♦ The review of the procedure adopted by the Board of Directors in selecting and appointing the Group Executive Board, as well as submission of recommendations to the Board of Directors;
- ♦ The review of the remuneration of the members of the Group Executive Board and senior executives in the areas of risk management and compliance;
- ♦ The ensuring that the decision-making process of the Group Executive Board and the Group Board of Directors cannot be influenced by an individual person or a group of persons in a manner detrimental of the LLB Group's interests;
- ♦ The formulating of compensation regulations for the parent bank and the LLB Group;

- ♦ The preparation of decisions regarding the compensation of the members of the Board of Directors and the Group Executive Board, as well as of other employees, in so far as their compensation is to be determined by the Board of Directors in accordance with the compensation regulations and taking into consideration the long-term interests of stakeholders, investors and other parties;
- ♦ The establishment of the guidelines for the human resources policy.

The Group Nomination & Compensation Committee ensures an expedient and smooth procedure for the nomination, election and re-election of the members of the Board of Directors. It is responsible, in particular, for the following tasks:

- ♦ The development of criteria for the selection, election and re-election of candidates;
- ♦ the selection and evaluation of candidates as well as the submission of election proposals to the Board of Directors for submission to the General Meeting of Shareholders in accordance with the developed criteria;
- ♦ The development of succession plans and the periodic review of them, both in the case of the end of a term of office and in the case of an early stepping down of members;
- ♦ Ensuring the further training of the entire Board of Directors;
- ♦ Planning the introductory phase for new members.

The Group Nomination & Compensation Committee ensures an expedient and smooth procedure for the election and re-election of the members of the Group Executive Board, as well as for the appraisal of their performance. It is responsible, in particular, for the following tasks:

- ♦ The development of criteria for the selection and appointment of candidates for the attention of the Board of Directors;
- ♦ The selection and evaluation of candidates as well as the submission of proposals to the Board of Directors at the request of the Group CEO in accordance with the developed criteria;
- ♦ The development and application of criteria for the performance appraisal of the Group Executive Board in corpore as well as of individual members;
- ♦ The development of succession plans and the periodic review of them, both in the case of the age-related or contingency stepping down of members of the Group Executive Board;
- ♦ Ensuring the further training of the members of the Group Executive Board.

The Group Nomination & Compensation Committee ensures an expedient and smooth procedure for the appointment of the Head of Group Internal Audit, as well as for the appraisal of his performance. It has the following tasks in particular:

- ♦ The development of criteria for the selection and appointment of candidates for the attention of the Board of Directors;
- ♦ The selection and evaluation of candidates as well as the submission of proposals to the Board of Directors in accordance with the developed criteria;
- ♦ The development and application of criteria for the performance appraisal of the Head of Group Internal Audit, this in collaboration with the Chairman of the Board of Directors and the Chairman of the Group Audit Committee;
- ♦ The development of succession plans and the periodic review of them, both in the case of the age-related or contingency stepping down of the Head of Group Internal Audit, this in collaboration with the Chairman of the Board of Directors and the Chairman of the Group Audit Committee.

The nomination of delegates in the Board of Directors' committees of the LLB Group and associated companies should ensure the implementation of the Group strategy and a uniform external perception of the LLB Group.

The Group Nomination & Compensation Committee is responsible for fulfilling the tasks defined in the Group regulation "Fit & Proper – assessment of the members of the Group Executive Board, the Board of Directors and the holders of key functions".

The Group Nomination & Compensation Committee has the following tasks, in particular, in relation to compensation:

- ♦ the formulation of recommendations, both for the definition of basic principles and for the stipulating of regulations, regarding the compensation policy of the members of the Board of

Directors, of the Group Executive Board and of other employees of the bank for submission to the Board of Directors;

- ♦ the formulation of proposals for the annual review of the compensation of the members of the Board of Directors, of the Group Executive Board and of the Head of Group Internal Audit for submission to the Board of Directors in accordance with the existing principles and regulations;
- ♦ the annual review of the Group regulation "Compensation standards", the LLB AG regulation of the same name, as well as the Group regulation "Fit & Proper – assessment of the members of the Group Executive Board, the Board of Directors and the holders of key functions" for submission to the Board of Directors;
- ♦ the annual review of the compensation of the members of the Board of Directors, the Group Executive Board, the Head of Group Internal Audit and senior executives in risk management and compliance in accordance with the Group regulation "Compensation standards" and the parent bank regulation of the same name for submission to the Board of Directors in accordance with the existing principles and regulations.

The Group Nomination & Compensation Committee has the following responsibilities in relation to strategic human resources management:

- ♦ the stipulation and periodic review of the principles of human resources strategy;
- ♦ the review of the processes for the systematic development of employees and executives.

Strategy Committee

It is one of the tasks of the Board of Directors to formulate and periodically evaluate the LLB Group's strategy. In this task it is supported by the Strategy Committee. The members of the committee are:

Name	Function
Gabriela Nagel-Jungo *	Chairwoman
Urs Leinhäuser	Member
Karl Sevelda	Member

* Following the resignation of Georg Wohlwend as Chairman of the Board of Directors, Gabriela Nagel-Jungo has been a member of the Group Nomination & Compensation Committee in his place since 4 November 2020.

Representation in foundations

Thomas Russenberger and Richard Senti have seats on the Board of Trustees of the Personnel Pension Fund Foundation of Liechtensteinische Landesbank AG as employer representatives. Thomas Russenberger has been Chairman of the Board of Trustees since December 2018.

3.5.3 Working methods of the Board of Directors and its committees

Board of Directors

A meeting of the Board of Directors is convened by invitation of its Chairman as often as business requires, but at least four times a year. Together with the written invitation, the members of the Board of Directors also receive the agenda for the meeting, the minutes of the last meeting and other important documentation required for the meeting at least five business days prior to the date set for the meeting. Meetings of the Board of Directors can also be called with a shorter period of notice if there is a pressing matter. It is within the discretion of the Chairman to determine the urgency of that matter. Board meetings are chaired by the Chairman. A quorum of the Board of Directors is constituted when a majority of the members is present. Resolutions shall be passed by a simple majority of votes. In the case of a tie, the Chairman shall have the casting vote. In urgent cases, resolutions may be passed by circular. Unanimity is required for resolutions to be dealt with by circular. A resolution passed by circular are just as binding as resolutions passed at a Board of Directors meeting. The Chairman of the Board of Directors shall promptly inform the other Board members about the outcome of the circular vote.

Meetings of the Board of Directors can be held where the members are physically present, or as telephone or video conferences. Minutes will be taken of meetings held as telephone or video conferences as well as the resolutions passed in the same manner as at meetings where members are physically present.

The members of the Board of Directors are to regulate their personal and business matters in such a manner that, as far as possible, actual or potential conflicts of interest are avoided. The members of the

Board of Directors are obliged to inform the Chairman in cases of real or potential conflicts of interest. This is regardless of whether the real or potential conflicts of interest are of a general nature or related to a matter to be discussed at a meeting. The Chairman of the Board of Directors shall decide whether there are grounds for a recusal of the member. In such a case, that member may participate in the discussion of the matter in question but may not vote on it.

During the 2020 business year, the Board of Directors of Liechtensteinische Landesbank AG held a total of eleven ordinary and five extraordinary meetings. The meetings lasted between 0.75 and 7.00 hours. A closed meeting lasting half a day was conducted by the Board of Directors in collaboration with the Group Executive Board following the ordinary meeting in June 2019. The closed meeting focused on the annual strategy review of StepUp2020, as well as the IT and sustainability strategy. The subjects of the extraordinary board meetings were the corona pandemic and the resignation of the Chairman of the Board of Directors.

Date	Meeting	Attendance	Duration in h
21 February 2020	ordinary	all	6.20
09 March 2020	ordinary	all, excepting Urs Leinhäuser	0.75
18 March 2020	extraordinary	all	1.25
27 March 2020	ordinary	all	3.75
29 April 2020	ordinary	all	4.50
29 May 2020	ordinary	all	3.75
22 June 2020	ordinary	all	4.25
22 June 2020	closed meeting	all	2.75
21 August 2020	ordinary	all	4.75
23. September 2020	ordinary	all	4.75
27 October 2020	ordinary	all	4.00
01 November 2020	extraordinary	all	1.75
02 November 2020	extraordinary	all	1.75
03 November 2020	extraordinary	all	1.75
16 November 2020	extraordinary	all	3.50
24 November 2020	ordinary	all	6.00
18 December 2020	ordinary	all	7.00

Group Audit Committee

The members of the Group Audit Committee meet at least four times a year. These ordinary meetings are convened by the Chairman. An agenda is compiled prior to each meeting, which is sent together with the necessary information and the minutes of the last meeting to the meeting's participants at least five days prior to the date of the meeting. The members of the Group Audit Committee, the Group CEO, the Group CFO, the external auditors, the Head of Group Internal Audit can request the Chairman of the Group Audit Committee to convene extraordinary meetings. To deal with specific issues, the Group Audit Risk Committee can also invite other persons, such as members of the Group Executive Board, the Chairman of the Group Risk Committee, other staff of the LLB Group companies, representatives of the external auditors or external consultants. The Group CEO, the Group CFO and the Head of Group Internal Audit usually participate in the meetings in an advisory capacity. The other members of the Board of Directors, who are not members of the Group Audit Committee, are entitled to participate in the meetings.

During the 2020 business year, the members of the Group Audit Committee met for eight meetings. No external experts were called in during the business year.

Date	Attendance	Duration in h
22 January 2020	all	1.25
21 February 2020	all	3.75
28 April 2020	all	1.00
28 May 2020	all	3.00
15 July 2020	all	1.50
20 August 2020	all	2.50
24 November 2020	all	0.25
17 December 2020	all	3.25

Group Risk Committee

The members of the Group Risk Committee meet at least four times a year. These ordinary meetings are convened by the Chairman. An agenda is compiled prior to each meeting, which is sent together with the necessary information and the minutes of the last meeting to the meeting's participants at least five days prior to the date of the meeting. The members of the Group Risk Committee, the Group CEO, the Group CFO, the external auditors, the Head of Group Internal Audit and the Head of Group Credit and Risk Management can request the Chairman of the Group Credit & Risk Committee to convene extraordinary meetings. To deal with specific issues, the Group Risk Committee can also invite other persons, such as members of the Group Executive Board, the Chairman of the Group Risk Committee, other staff of the LLB Group companies, representatives of the external auditors or external consultants. The Group CEO, the Group CFO, the Head of Group Internal Audit and the Head of Group Credit & Risk Management usually participate in the meetings in an advisory capacity. The other members of the Board of Directors, who are not members of the Group Risk Committee, are entitled to participate in the meetings.

During the 2020 business year, the Group Risk Committee held four ordinary meetings. No external experts were called in during the business year.

Date	Attendance	Duration in h
20 February 2020	all	2.00
28 May 2019	all	4.50
20 August 2020	all	3.50
17 December 2020	all	4.50

Group Nomination & Compensation Committee

The Group Nomination & Compensation Committee convenes as often as business requires, but at least twice a year. The meetings are convened by the Chairman. He compiles an agenda prior to each meeting, which is sent together with the necessary information and the minutes of the last meeting to the meeting's participants at least five days prior to the meeting.

To deal with specific issues, the Group Nomination & Compensation Committee can also invite other persons, such as members of the Group Human Resources Department, representatives of the external auditors or external consultants. The Group CEO usually participates in the meetings in an advisory capacity; except when topics are discussed that particularly concern the business area of Group Internal Audit or the performance assessment of the Group CEO and the establishment of his compensation. Furthermore, the Head of Group Human Resources and the Head of Group Internal Audit usually participate in the meetings in an advisory capacity. The members of the Board of Directors, who are not members of the Group Nomination & Compensation Committee, have the right to attend the meetings.

During the 2020 business year, the Group Nomination & Compensation Committee held seven meetings.

Date	Attendance	Duration in h
28 January 2020	all	3.00
26 May 2020	all	2.50
25 August 2020	all	2.00
09 November 2020	all	2.50
23 November 2020	all	2.25
07 December 2020	all	1.50
15 December 2020	all	0.50

The Strategy Committee

The Strategy Committee held five meetings in 2020 at which preparations were made for the meetings of the Board of Directors with Group Executive Management to discuss organic and inorganic growth options, as well as the relevant parameters for the development of the follow-up strategy to StepUp 2020.

Date	Attendance	Duration in h
20 April 2020	all	2.00
15 May 2020	all	0.75
10 September 2020	all	2.50
20 November 2020	all	1.50
10 December 2020	all	3.25

Resolutions at the committee meetings

The committees carry out solely preparatory or advisory tasks on behalf of the Board of Directors. Resolutions at the meetings are passed with an absolute majority of the members present. The attendance of more than half of the members is required for a quorum. Only the members of the committees are eligible to vote. In the case of a tie, the Chairman has the casting vote. The subjects dealt with and resolutions passed are recorded in the corresponding minutes. The minutes are circulated to the meeting's participants and the members of the Board of Directors. The Chairmen of the committees inform the Board of Directors about the agenda dealt with at the last committee meeting and submit proposals for those points requiring resolutions. Furthermore, they submit an annual activity report to the Board of Directors, which contains a summary of their activities and of pending matters.

Self-evaluation

In general, the Board of Directors evaluates its own performance annually and also that of the committees. This evaluation serves to determine whether the Board of Directors and the committees are functioning appropriately. The results of the self-evaluation are recorded in writing.

In mid 2020, the Board of Directors carried out a self-evaluation on the basis of a questionnaire. The consolidated responses were discussed at the meeting in June. The overall evaluation was very positive. The collaboration between the board members is very good. The culture of open and frank discussions is constructive and effective. The interdisciplinary composition of the Board and the range of ages are regarded as very positive. In addition to the many items on the agenda to be reviewed and assessed, in future the Board of Directors would like to deal more frequently with creative and formative elements.

3.6 Definition of areas of responsibility

The Board of Directors is responsible for the direction, supervision and control of the LLB Group. It is ultimately responsible for the success of the LLB Group as well as for attaining sustained value for both shareholders and employees, as well as protecting the Group's reputation. It makes decisions concerning the LLB Group's corporate strategy and assumes final responsibility for monitoring the conduct of business. It stipulates the risk policy of the LLB Group and monitors compliance with it. Furthermore, the Board of Directors monitors compliance with applicable legal provisions and regulations. At the request of the Group Executive Management, the Board of Directors determines the financial and human resources required to implement the corporate strategy. The Board of Directors must keep itself informed in an appropriate manner about the financial and risk situation of the LLB

Group. This also applied to the decisions made within the Group companies, which in practice have an effect on the business activity of the LLB Group.

Within the scope of the duties and responsibilities defined in the Statutes, the Board of Directors has the following tasks:

- ♦ Strategy and management;
- ♦ Organisation;
- ♦ Financial management;
- ♦ Risk policy and management.

In relation to strategy and management, the Board of Directors is responsible, in particular, for the following tasks:

- ♦ Specifying the corporate mission statement and values;
- ♦ Specifying the strategy and its periodic review;
- ♦ Specifying the management structure;
- ♦ Deciding on important structural changes;
- ♦ Deciding about expanding into important new business areas or the withdrawal from existing important business areas;
- ♦ Approving the acquisition or sale of participations in other companies as well as the establishment or liquidation of LLB Group companies and the nomination of their Boards of Directors;
- ♦ Approving the purchase or sale of real estate having a purchase price of more than CHF 20 million (or equivalent);
- ♦ Assignment of tasks and responsibilities to the Group Executive Management;
- ♦ Approving all business matters and business decisions that exceed the authority of the powers delegated by the Board of Directors;

Concerning the organization of business activities of the LLB Group and the required concomitant issuing of rulings and directives, the Board of Directors is, in particular, responsible for:

- ♦ The regular monitoring of corporate governance principles and management structures laid down in the rules of procedure;
- ♦ The issuing of rulings and directives that are binding Group-wide, subject to respective applicable local law and the declaration of their binding character for the respective Group company, as well as the regulations of LLB;
- ♦ The organisation and management of Group Internal Audit including the issuing of the "Group Internal Audit» Group regulation, approval of the annual auditing plan and the annual auditing objectives, discussion of the reports submitted by Group Internal Audit and the external auditors, and approval of the reports concerning measures implemented on the basis of audit reports and their monitoring;
- ♦ The selection, appointment and dismissal of the Group CEO, the Vice Group CEO, the other members of the Group Executive Board and the Head of Group Internal Audit, the review of their performance, including succession planning;
- ♦ The supervision of the Group CEO and the other members of the Group Executive Board with regard to compliance with legal provisions, statutes and regulations;
- ♦ The appointment of the for the committees of the Board of Directors from among its members and the appointment of the Chairman;
- ♦ The regularization of the compensation principles within the LLB Group;
- ♦ The specification of a process for selecting and evaluating the suitability of candidates for key functions;
- ♦ The issuing of a code of conduct for employees and corporate bodies in relation to dealing with conflicts of interest, as well as rules to prevent the use of confidential information;
- ♦ The issuing of a code of conduct for employees and monitoring compliance with it;
- ♦ The approval of the composition of the Boards of Directors in the Group companies with the exception of LLB AG;
- ♦ Deciding about, or approving, the avocational activities of members of the Group Executive Board and the Head of Internal Audit;
- ♦ The preparation of the General Meeting of Shareholders and the implementation of its resolutions.

Concerning the ultimate liability for the organization of accounting, financial control and financial planning of the LLB Group, the Board of Directors is, in particular, responsible for:

- ♦ The approval of the applicable accounting standards;
- ♦ The approval of medium-term planning and budgeting;
- ♦ The overall supervision of the complete equity and liquidity management system;
- ♦ The approval of the Consolidated Annual Report with the consolidated financial statement and the consolidated management report;
- ♦ The approval of the Consolidated Interim Reporting;
- ♦ The ensuring of regular reporting on the course of business and extraordinary occurrences;
- ♦ The stipulation of the competence to authorize expenditure;
- ♦ The supervision of the Group's business development.

Concerning the ultimate responsibility for risk policy and management, the Board of Directors is, in particular, responsible for:

- ♦ The definition of the risk policy framework as well as the regular review of the strategies and principles for the acceptance, management, monitoring and mitigation of the risks, to which the LLB Group is exposed;
- ♦ The issuing of Group regulations concerning the fundamentals of risk management, determination of risk appetite, risk control as well as accountability and the processes for the approval of risk-related transactions, whereby interest fluctuation, credit, counterparty, cluster, liquidity, market price and operational risks, as well as legal and reputational risks, in particular, are to be identified, controlled, reduced and monitored;
- ♦ The definition of the risk-bearing capacity and decision on the maximum ceiling of the risk cover amount;
- ♦ The definition of a maximum debt ratio;
- ♦ The definition and monitoring of the maximum market risk to be borne;
- ♦ The responsibility for an adequate market and liquidity risk management as an integral part of the risk policy;
- ♦ The approval of the recovery plan;
- ♦ The approval of the capital plan within the scope of medium-term planning;
- ♦ The stipulation of overall and individual limits at least once a year;
- ♦ The approval of quarterly reports, including comments on the risk situation;
- ♦ The issuing of a Group regulation concerning the fundamentals of a compliance organisation within the LLB Group for the purpose of creating and implementing a common understanding of compliance;
- ♦ The stipulation of credit competences and the regulation of transactions for the account of corporate bodies and employees as well as resolutions regarding large commitments including cluster risks;
- ♦ The evaluation of the effectiveness of the internal control system;
- ♦ The ensuring of the prompt provision of information in the event of imminent risks or losses having significant implications;
- ♦ The decision concerning capital market refinancing through the borrowing of outside capital;
- ♦ The approval of the initiation of legal actions involving claims of over CHF 10 million, as well as judicial and extrajudicial settlements involving amounts of over CHF 10 million;
- ♦ The protection of the LLB Group's reputation.

The Group Executive Board, under the leadership of the Group CEO, is responsible for the management of the LLB Group. It is composed of six members, the three heads of the market divisions: Retail & Corporate Banking, Private Banking and Institutional Clients, as well as the Group CFO, the Group COO and the Group CEO. The Group Executive Board meets as often as business requires, but at least once a month.

The LLB Group conducts its business within a framework of the three market-oriented divisions: Retail & Corporate Banking, Private Banking and Institutional Clients as well as the shared service functions of the Group CFO and Group COO. The heads of the divisions are responsible for the operative management of the divisions.

The heads of the market-oriented divisions are responsible for the cross-divisional collaboration of their business areas and they represent the LLB Group vis-à-vis the general public and other stakeholders in their relevant markets, and vis-à-vis the relevant client groups. Together with the heads of the Group CFO and Group COO Divisions and the heads of the business areas, they implement and coordinate the strategy of their divisions.

The heads of the divisions create the organisational prerequisites in order to manage the business areas assigned to their divisions over all the LLB Group companies. They actively coordinate all business activities with each other.

Taking into consideration prevailing local law, the Group Executive Board issues the regulations necessary for the operation and management of the divisions, provided this does not lie within the competence of the Board of Directors. These regulations may be binding for individual or several divisions of LLB Group companies.

In addition to the powers and duties set forth in the statutes, the Group Executive Board is responsible, in particular, for:

- ♦ Operative management;
- ♦ Implementation of the strategy;
- ♦ Risk management.

The Group Executive Board:

- ♦ Implements the Group regulations and the resolutions of the Board of Directors;
- ♦ Informs the Board of Directors and its committees, but in particular, its Chairman regularly about the course of business and important events;
- ♦ Issues further regulations for the management of business;
- ♦ Coordinates the LLB Group's range of products as well as specifying the pricing policy and the terms and conditions for the products and services offered;
- ♦ Approves the setting up and closing of business offices, bank branches and representative offices, provided this is explicitly envisaged in the strategy;
- ♦ Is authorised to approve investments for personnel expenses and general and administrative expenses of more than CHF 0.25 million up to CHF 1 million in specific cases, and investments of from CHF 0.5 million up to CHF 3 million (with prior notification of the Chairman of the Board of Directors) which are not included in the budget adopted by the Board of Directors. In such a case, the Chairman decides about any matters to be presented to the Board of Directors;
- ♦ Continuously monitors the developments within the divisions and business areas, as well as initiating problem-solving measures;
- ♦ Continuously monitors the financial reporting and risk situation.

The Group Executive Board:

- ♦ Submits suggestions concerning the organisation of business activities of the LLB Group in general and proposals for specific business matters of the LLB Group to the Board of Directors and the responsible committees, provided these matters exceed the scope of authority of the Group Executive Board, in particular, with respect to:
 - ♦ The definition and periodic review of the LLB Group's corporate strategy as well as the allocation of resources to implement the strategy and attain corporate objectives;
 - ♦ Participations, Group companies, business offices, branches and representative offices; medium-term planning;
 - ♦ Medium-term planning;
 - ♦ Annual expenditure and income budget;
 - ♦ Financial reporting and the annual report;
- ♦ Setting the objectives for business activities and the course of business as it executes the strategy approved by the Board of Directors; thereby ensuring that decision-making is timely and of a high quality as well as monitoring the implementation of the decisions made.

The Group Executive Board:

- ♦ Implements an efficient structure and organisation and an effective internal control system for the prevention and limitation of risks of all types;

- ♦ Within the risk policy framework of the LLB Group has the following tasks, in particular:
 - ♦ Implementing and reviewing compliance with the risk policy and risk regulations approved by the Board of Directors;
 - ♦ Managing all significant risks;
 - ♦ Ensuring a reasonable valuation of assets;
 - ♦ Using external and internal models to manage and monitor key risks;
 - ♦ Ensuring comprehensive reporting to the Board of Directors regarding the risk situation in accordance with the provisions of risk policy;
 - ♦ Deciding on the composition of the Risk Committee of the LLB Group.

The Group CEO is the highest authority within the LLB Group management structure. He is, in particular, entirely responsible for the development and implementation of the corporate strategy of the LLB Group and the divisions as approved by the Board of Directors. The Group CEO represents the Group Executive Board vis-à-vis the Board of Directors and externally.

The Group CEO

- ♦ Ensures the coherent management and development of the LLB Group as well as the implementation of the strategy that is stipulated and periodically monitored by the Board of Directors;
- ♦ Sets objectives for business activities and the course of business;
- ♦ Ensures high-quality and timely decision-making;
- ♦ Ensures that the objectives set by the members of the Group Executive Board comply with management objectives;
- ♦ Submits recommendations to the Board of Directors concerning compensation principles within the LLB Group;
- ♦ Monitors the implementation of any decisions that are made;
- ♦ Monitors the implementation of the resolutions made by the Board of Directors and its committees;
- ♦ Is responsible – in coordination with the Chairman of the Board of Directors – for concrete succession planning within the Group Executive Board and submits proposals to the Board of Directors regarding the nomination of members of the Group Executive Board with the exception of the Group CEO.

3.7 Information and control instruments vis-à-vis the Group Executive Board

The Chairman of the Board of Directors is informed about the agenda of Group Executive Board meetings and receives the minutes. He participates in its meetings in an advisory capacity as required. The purpose of this is for both parties to update each other and form their opinions on important topics.

Basically, the Board of Directors, the individual committees and especially the Chairman of the Board are kept informed about the activities of the Group Executive Board by the Chairman of the Group Executive Board. The members of the Group Executive Board report to the Group CEO for the attention of the Board of Directors. The Group CEO ensures that the Chairman of the Board of Directors and the Board of Directors as well as its committees are informed in a timely and appropriate manner. The Group CEO regularly reports to the Board of Directors about current business developments and important business issues, including all matters that fall within the remit of the Board of Directors.

The Group CEO generally attends the meetings of the Board of Directors in an advisory capacity, informs it about the development of business as well as about extraordinary occurrences and provides additional information on request. The Group CFO regularly informs the Board of Directors about finances and risk management as well as about the proper implementation of the Bank's risk policy. The other members of the Group Executive Board attend meetings when matters involving them are dealt with. The Group CEO and the Group CFO usually participate in the meetings of the Group Audit Committee and the Group Risk Committee in an advisory capacity.

If required, the Group CEO can inform the Chairman of the Board of Directors outside of meetings of the Board of Directors about the course of business and special occurrences. The Chairman of the Board of Directors informs the other Board members about important events.

During meetings, each member of the Board of Directors can request information about all matters relating to the LLB Group. Outside of meetings, each member of the Board of Directors can also request information about the course of business from members of the Group Executive Board and, with the approval of the Chairman of the Board of Directors, also about individual business transactions.

Internal supervision and control

The LLB Group has standardized bank management systems that generate quantitative and qualitative data for the Group Executive Board and in a summarized form for the Board of Directors. This enables the Board of Directors to inform itself about significant business developments, such as the course of business, earnings situation, budget utilisation, balance sheet development, liquidity, risk situation and the fulfilment of equity requirements. The Board of Directors discusses and approves the annotated reports on finances and risk management on a quarterly basis.

In exercising its supervision and control functions, the Board of Directors is also assisted by Group Internal Audit, which is subordinate directly to the Chairman of the Board of Directors. Group Internal Audit has open, direct and unrestricted access to the Chairman of the Boards of Directors of the LLB Group companies, as well as to the Group Audit Committee and the Group Risk Committee. It is independent in its reporting and is not subject to any directive or other limitations, and within the LLB Group, it has an unrestricted right to peruse all information and documents. Group Internal Audit assumes the function of the internal auditor for all Group companies that are required to prepare a consolidated statement of accounts and submits the reasons for its decision to the Board of Directors or the respective Board of Directors of the Group company as to whether there exists an effective internal control system and whether risks are being adequately monitored. If a Group company has in place its own internal audit function, this is functionally subordinate to the Head of Group Internal Audit. Group Internal Audit provides independent, objective and systematic reporting services regarding:

- ♦ The effectiveness of processes for defining the strategy and principles of risk policy as well as the general compliance with the approved strategy;
- ♦ The effectiveness of governance processes;
- ♦ The effectiveness of the risk management, including the evaluation of whether risk identification and management are adequate;
- ♦ The effectiveness of internal controls, in particular, whether these are adequate in relation to the risks taken;
- ♦ If necessary, the effectiveness and sustainability of measures for reducing and minimizing risks;
- ♦ The reliability and completeness of financial and operational information (that is, whether activities are correctly and fully documented) as well as the quality of the underlying data and models;
- ♦ Compliance with legal and regulatory requirements as well as with internal rulings and directives and agreements.

The powers and duties of Group Internal Audit are stipulated in a special set of regulations. The planning of annual auditing is carried out on the basis of the evaluation of risks and controls and is guided by a long-term auditing plan.

To avoid duplication of work and to optimize controls, the auditing plans are coordinated with the statutory auditors. The auditing plan and the personnel requirement plan are reviewed by the Group Audit Committee and submitted to the Board of Directors for approval.

The results of every examination are recorded in a written audit report. The audit reports of the parent bank and all Group companies are sent to the Chairman of the Board of Directors, the members of the Group Audit Committee and the Group Risk Committee, the Group Executive Board, the Head of Group Credit & Risk Management, as well as to the Head of Group Legal & Compliance and the external auditors. The Head of Group Internal Audit compiles a report on a quarterly basis for submission to the Group Audit Committee and the Group Executive Board as well to the responsible committees of the other banks of the LLB Group. He also compiles a written activity report annually for submission to the Board of Directors. Particular findings that need to be dealt with immediately are communicated to the Chairman of the Board of Directors without delay by the Head of Group Internal Audit. In addition, Group Internal Audit regularly monitors the rectification of any deficiencies found and the implementation of its recommendations; it submits reports about this procedure to the Group Audit Committee.

Risik management

The proactive approach towards risks is an integral part of the LLB Group's corporate strategy and ensures the Group's risk-bearing capacity. The LLB Group attaches great importance to proactive and comprehensive opportunity / risk management. As part of the risk policy, the Board of Directors issues guidelines and regulations concerning the principles of risk management. In this way, the Board of Directors sets qualitative and quantitative standards for risk responsibility, risk management, risk reduction and risk control.

The LLB Group manages risks according to strategic objectives. It evaluates and manages risks through the application of detailed, qualitative and quantitative standards for risk responsibility, risk management and risk control. The LLB Group utilises the "Internal Capital Adequacy Assessment Process" (ICAAP) and "Internal Liquidity Adequacy Assessment Process" (ILAAP) to deal with equity capital and liquidity issues, both of which are extremely important factors for banks. These processes ensure that adequate capital and liquidity to cover all essential risks are always available.

The Group Credit & Risk Management Business Area is responsible for the risk management function. It monitors the risks to which the LLB Group is exposed, or could be exposed, including risks arising from the macro-economic environment. Group Credit & Risk Management is independent of the operative business areas and, within the regulatory framework, it has an unrestricted right to all information and documents. The Head of the Group Credit & Risk Management Business Area has direct access to the Group Risk Committee and reports directly to the Group CFO. Its principal duties and responsibilities are:

- ♦ Ensuring a complete overview of the entire risk spectrum, especially of the character of the existing types of risk and the risk situation;
- ♦ Formulation of the risk policy as well as the preparation and analysis of all important decisions regarding risk management;
- ♦ Identification and measurement of significant risks as well as reporting to the Board of Directors and the Group Executive Board;
- ♦ Continual checking of the effectiveness of risk management measures.

The Group Risk Committee invites the persons responsible for risk management to a quarterly discussion of the risk status. Their reports are summarised every six months in an overall risk report of the LLB Group, which is submitted to the Board of Directors. Further details of risk management can be found in the chapter "[Financial and risk management](#)", as well as in the notes to the consolidated financial statement of the LLB Group.

Compliance

The employees of the LLB Group are obliged to comply with all legal, regulatory and internal regulations as well as to observe common market standards and professional codes of conduct. The Board of Directors is responsible for organising and ensuring Group-wide compliance. For this purpose, it has issued a Group regulation entitled "Compliance management at the LLB Group" dealing with the essentials of compliance organisation for the purpose of creating and implementing a common understanding of the principles of compliance. The Group Executive Board is responsible for the implementation and observance of compliance. In doing so, it is supported by the compliance functions within the LLB Group. These functions are led by the Head of the Group Legal & Compliance Business Area, and are independent of the operative business areas. The Head of Group & Compliance has direct access to the Group Risk Committee. He compiles an annual written activity report for the Group Risk Committee and the Board of Directors, and submits a risk analysis to them twice a year with an estimate of the most significant compliance risks and the measures and recommendations to be considered as a result. Outside the ordinary reporting periods, he promptly informs the Group Risk Committee about serious infringements of compliance regulations, and about issues of great economic or other significance, and supports it in implementing the appropriate instructions or measures (see chapter "[Financial and risk management](#)").

4 Group Executive Board

4.1 Members

The LLB Group's organisational structure is consistently geared towards client and market needs. For this purpose the Retail & Corporate Banking, Private Banking as well as Institutional Clients Market Divisions are represented at the Group Executive Management level. The Group Chief Financial Officer, the Group Chief Operating Officer, as well as the Group Chief Executive Officer are also members of the Group Executive Board.



Roland Matt*
Group Chief Executive Officer
1970, FL

Entry into Group Executive Board:
2009

Education:

- ♦ Business economist FH, 1995
- ♦ Federally qualified financial analyst and asset manager, 1999
- ♦ Federally qualified finance and investment expert, 2002

Professional career:

- ♦ Head of Research, VP Bank AG, Vaduz, 1999
- ♦ Head of Asset Management Division, VP Bank AG, Vaduz, 2000 – 2001
- ♦ Family Office Project Head, VP Bank AG, Vaduz, 2002

Liechtensteinische Landesbank:

- ♦ Head of Investment Services, 2002 – 2006
- ♦ Head of Domestic Clients Division, 2007 – 2008
- ♦ Member of the Group Executive Board and the Board of Management, since 2009
- ♦ Head of Domestic Market and Institutional Market Divisions, 2009 until March 2011
- ♦ Head of International Market Division, April 2011 until January 2012
- ♦ Vice Chairman of the Group Executive Board and the Board of Management, April 2011 until January 2012
- ♦ Group Chief Executive Officer, since January 2012

Board of Directors mandates in Liechtensteinische Landesbank Group companies:

- ♦ Liechtensteinische Landesbank (Österreich) AG, (Member)

Other functions:

- ♦ Vice Chairman of the Liechtenstein Bankers Association
- ♦ Member of the Board of the Liechtenstein Chamber of Commerce and Industry
- ♦ Member of the Board of Trustees of the Personnel Pension Fund Foundation of Liechtensteinische Landesbank AG
- ♦ Chairman of the Board of Trustees of the "Future Foundation of Liechtensteinische Landesbank AG"



Urs Müller**
Head of Retail & Corporate Banking Division, Vice Group Chief Executive Officer
1962, FL / CH

Entry into Group Executive Board:
2011

Education:

- ♦ Licentiate in law, University of St. Gallen (HSG), 1993

Professional career:

- ♦ Auditor, Unterrheintal District Court and Associate Court Clerk, Oberrheintal District Court, 1993 – 1995

Liechtensteinische Landesbank:

- ♦ Legal counsel, 1995 – 1998
- ♦ Head of Legal & Compliance, 1998 – 2006
- ♦ Head of Institutional Clients Division, 2007 until April 2011
- ♦ Member of the Group Executive Board and the Board of Management, since April 2011
- ♦ Head of Domestic Market and Institutional Market Divisions, April 2011 until June 2012
- ♦ Head of Institutional Clients Division, July 2012 until June 2016
- ♦ Head of Retail & Corporate Banking Division since July 2016
- ♦ Vice Group Chief Executive Officer, since July 2012

Board of Directors mandates in Liechtensteinische Landesbank Group companies:

- ♦ Bank Linth LLB AG (Vice Chairman)
- ♦ LLB Asset Management AG (Member)
- ♦ LLB Berufliche Vorsorge AG, Lachen (Chairman)

Other functions:

- ♦ Member of the Board of Trustees of the "Future Foundation of Liechtensteinische Landesbank AG"



Gabriel Brenna***
Head of Private Banking Division
1973, CH / I

Entry into Group Executive Board:
2012

Education:

- ♦ M. Sc., Electrical Engineering, Ecole polytechnique fédérale de Lausanne, 1998
- ♦ Ph.D., Electrical Engineering, Semiconductors, Swiss Federal Institute of Technology (ETH) Zurich, 2004

Professional career:

- ♦ Project Leader, Philips Semiconductors, Zurich, 1998 – 1999
- ♦ Research and instruction, ETH Zurich, 2000 – 2004
- ♦ Senior Project Leader, Advanced Circuit Pursuit, Zollikon, 2002 – 2004
- ♦ McKinsey & Company, Zurich and London; most recently, Partner and Head of Swiss Private Banking and Risk Management Practice, 2005 until September 2012

Liechtensteinische Landesbank:

- ♦ Member of the Group Executive Board and the Board of Management, since October 2012
- ♦ Head of Private Banking Division, since October 2012

Board of Directors mandates in Liechtensteinische Landesbank Group companies:

- ♦ Liechtensteinische Landesbank (Österreich) AG, (Chairman)
- ♦ Bank Linth LLB AG (Member)
- ♦ LLB Asset Management AG (Vice Chairman)
- ♦ LLB Services (Schweiz) AG (Chairman)

Other functions:

- ♦ Member of the Board of Trustees of the "Future Foundation of Liechtensteinische Landesbank AG"



Natalie Flatz
Head of Institutional Clients Division
1977, AT

Entry into Group Executive Board:
2016

Education:

- ♦ Mag. iur., University of Innsbruck, 2000
- ♦ Executive Master of European and International Business Law, University of St. Gallen, 2006
- ♦ Diploma of Advanced Studies (DAS) in Banking, 2017

Professional career:

- ♦ Legal assistant at the Liechtenstein Bankers Association, 2003 – 2005
- ♦ Private labelling client adviser at the Liechtenstein Fund Management Company IFOS, 2006 – 2007
- ♦ Member of senior management at the Liechtenstein Fund Management Company IFOS, 2008 – 2011

Liechtensteinische Landesbank:

- ♦ Head of the Institutional Clients Business Unit, 2011 until June 2012
- ♦ Head of Fund Services Business Area, July 2012 until June 2016
- ♦ Member of the Group Executive Board and the Board of Management, since July 2016
- ♦ Head of the Institutional Clients Divisions, since July 2016

Board of Directors mandates in Liechtensteinische Landesbank Group companies:

- ♦ LLB Fund Services AG (Chairwoman)
- ♦ LLB Swiss Investment AG (Chairwoman)
- ♦ LLB Asset Management AG (Chairwoman)
- ♦ Liechtensteinische Landesbank (Österreich) AG (Member)
- ♦ LLB Invest KAG (Member)
- ♦ LLB Invest AGmvK (Member)

Other functions:

- ♦ Member of the Board of Trustees of the "Future Foundation of Liechtensteinische Landesbank AG"



Patrick Fürer
Group Chief Operating Officer
1965, CH

Entry into Group Executive Board:
2019

Education:

- ♦ Licentiate in economics at the University of St. Gallen, 1990
- ♦ Dr. oec. HSG, University of St. Gallen, 1993

Professional career:

- ♦ IT Project Controller and Head of Controlling of the IT Division at the Union Bank of Switzerland, Zurich, 1991 – 1994
- ♦ Chief of Staff, Trading & Sales at the Union Bank of Switzerland, Zurich, 1995 – 1998
- ♦ COO at WestLB Panmure, London, 1998 – 2002
- ♦ CEO at WestLB Panmure, London, 2002 – 2003
- ♦ Group Head of Operations at WestLB AG, Düsseldorf, London, 2003 – 2006
- ♦ Member of the Executive Board and Head of IT and Processing at Raiffeisen Bank, Switzerland, St. Gallen, 2007 – 2008
- ♦ Member of the Executive Board and COO at Morgan Stanley Bank AG, Zurich, 2009 – February 2016
- ♦ CEO of Morgan Stanley Bank AG, Zurich, March 2016 – June 2017
- ♦ CFO at Notenstein La Roche Privatbank AG, St. Gallen, July – September 2017
- ♦ CEO at Notenstein La Roche Privatbank AG, St. Gallen, October 2017 – December 2018

Liechtensteinische Landesbank:

- ♦ Member of Executive and Group Executive Boards since January 2019
- ♦ Group Chief Operating Officer, since January 2019

Board of Directors mandates in Liechtensteinische Landesbank Group companies:

- ♦ Liechtensteinische Landesbank (Österreich) AG (member)

Other functions:

- ♦ Member of the Board of Trustees of the "Future Foundation of Liechtensteinische Landesbank AG"



Christoph Reich
Group Chief Financial Officer
1974, CH

Entry into Group Executive Board:
2012

Education:

- ♦ Federally qualified licentiate in economics, FHS St. Gallen, 1999
- ♦ Executive MBA, University of St. Gallen (HSG), 2009

Professional career:

- ♦ Commercial apprenticeship, St. Galler Kantonalbank, Buchs (SG), 1990 – 1993
- ♦ Investment advisor for private clients, St. Galler Kantonalbank, Wil (SG), 1994 – 1996
- ♦ Senior consultant, KPMG Consulting (from October 2002, Bearing Point), Zurich, 1999 until mid-2003
- ♦ Team manager Budget and Management Services, Asian Development Bank, Manila / Philippines, 2003 – 2006
- ♦ Partner at Syndeo AG, Head of Accounting and controlling for Banks, Horgen / ZH, end of 2006 until October 2010

Liechtensteinische Landesbank:

- ♦ Head of Group Finance & Risk Department, November 2010 until January 2012
- ♦ Member of the Group Executive Board and the Board of Management, since January 2012
- ♦ Chief Financial Officer, January 2012 until June 2012
- ♦ Group Chief Financial Officer, since July 2012

Board of Directors mandates in Liechtensteinische Landesbank Group companies:

- ♦ Liechtensteinische Landesbank (Österreich) AG (Vice Chairman)
- ♦ Bank Linth LLB AG (Member)
- ♦ LLB Asset Management AG (Member)
- ♦ LLB Verwaltung (Schweiz) AG (Chairman)
- ♦ LLB Holding AG (Chairman)

Other functions:

- ♦ Member of the Board of Trustees of the "Future Foundation of Liechtensteinische Landesbank AG"
- ♦ Member of the Liechtenstein Deposit Protection and Investor Compensation Foundation (EAS)

° Group CEO Roland Matt decided on 25 January 2021 to leave the LLB Group and accept a new professional challenge. He has resigned from his office with immediate effect.

°° Urs Müller, Deputy Group CEO and Head of the Private and Corporate Clients Division, held the position of Group CEO on an interim basis from 26 January to 28 February 2020.

°°° Gabriel Brenna has been appointed by the Board of Directors as the new Group CEO as of 1 March 2021. He will continue to lead the Private Banking Division until further notice.

4.2 Other activities and commitments

Apart from the mandates specified under 4.1 the members of the Group Executive Board are not involved in the management or supervisory boards of important Liechtenstein, Swiss or foreign private or public law corporations, establishments or foundations, nor do they exercise any permanent management or consultancy functions for important Liechtenstein, Swiss or foreign interest groups, nor do they perform official functions or hold political office.

4.3 Number of permitted activities

Liechtensteinische Landesbank AG is not subject to the Swiss ordinance against excessive compensation in listed public limited companies (OaEC). Liechtensteinische Landesbank AG has not issued any regulations on the number of permitted activities.

4.4 Management contracts

The Liechtensteinische Landesbank has not concluded any management contracts.

5 Compensation, participations and loans

Details concerning compensation, participations and loans can be found in the [compensation report](#).

6 Shareholders' participation rights

6.1 Voting right limitation and representation

At the Liechtensteinische Landesbank's General Meeting of Shareholders, each share carries one vote. In accordance with Art. 306a ff. of person and company law, the LLB shares held by the Liechtensteinische Landesbank itself and its subsidiaries (288'410 shares as at 31 December 2020) are not eligible to vote. Otherwise there are no voting rights restrictions.

Each shareholder has various possibilities of participating in the General Meeting of Shareholders. At the General Meeting of Shareholder he can vote his own shares or authorise a third party in writing to vote them, or have them voted by another shareholder eligible to vote. The Chairman of the General Meeting shall decide whether the authorisation is valid. A person acting as a representative may act on behalf of more than one shareholder and vote differently for the various shares he represents. Shareholders may also vote their shares in writing by post or by means of electronic communication prior to the General Meeting. On account of the many different voting possibilities, the Liechtensteinische Landesbank has decided not to designate an independent proxy in accordance with Art. 18, para.1 of the Statutes (www.llb.li/statutes). The LLB is not subject to the pertaining provision of the ordinance against excessive compensation by listed companies.

6.2 Statutory quorum

At the General Meeting of Shareholders, a quorum is present if half of the share capital is represented. The Board of Directors can decide to permit shareholders to vote their shares by post or by means of electronic communication prior to the General Meeting. If a shareholder votes his shares in this manner prior to the General Meeting, his share capital is regarded as being represented for the purpose of constituting a quorum. If a quorum is not constituted, a further General Meeting of Shareholders has to be convened within two weeks that makes decisions irrespective of the represented shares, unless otherwise prescribed by mandatory laws and statutes.

Provided that legal provisions do not stipulate to the contrary, the General Meeting passes its resolutions and decides its elections by an absolute majority of the votes cast.

6.3 Convening of the General Meeting of Shareholders

The Board of Directors convenes an ordinary General Meeting of Shareholders with a period of notice of 30 days. The meeting must be held within six months following the end of a business year. The invitation to the General Meeting is to be publicised on the company's website as well as, if necessary, in other media to be designated by the Board of Directors. The invitation must contain the information required by law, especially the agenda to be dealt with at the meeting, the proposals of the Board of Directors and, in the event of elections, the names of the proposed candidates.

An extraordinary General Meeting may be convened by the Board of Directors if this is in the urgent interest of the Liechtensteinische Landesbank or at the written request – stating the reason for convening the extraordinary General Meeting – of shareholders representing ten per cent of the share capital.

6.4 Agenda

The Board of Directors specifies the agenda for the General Meeting of Shareholders in accordance with Art. 14 of the Liechtensteinische Landesbank's statutes (www.llb.li/statutes). The General Meeting can only deal with items which are listed in the agenda, with the exception of a proposal for the convening of an extraordinary General Meeting.

Shareholders, who together hold at least 5 per cent of the share capital represented, can request that an item be placed on the agenda to be dealt with by the General Meeting. Requests for items to be placed on the agenda must be received, at the latest, 21 days prior to the date of the General Meeting. The Board of Directors shall publicise the amended agenda at least 13 days prior to the date of the General Meeting.

Shareholders, who together hold at least 5 per cent of the share capital represented, have the right, prior to the General Meeting, to add proposals or supplements to items on the agenda. Moreover, every shareholder can add proposals to items on the agenda during the General Meeting.

6.5 Registration in the company's share register

The Liechtensteinische Landesbank has exclusively issued registered shares. It maintains a share register containing the names of the owners of registered shares. Upon request, the purchasers of registered shares are entered in the share register as shareholders having a voting right provided that they expressly render a declaration that they have purchased these shares in their own name for their own account. If the purchaser is not prepared to render such a declaration, the Board of Directors can refuse to enter the shares with voting rights in the register. Pursuant to Art. 5a of the Statutes (www.llb.li/statutes), the Board of Directors has specified that nominee registrations without the above-mentioned declaration are generally to be made without a voting right. In order for the right to vote to be exercised at the General Meeting of Shareholders, entry in the share register must be made at the latest three working days prior to the date of the General Meeting. Accordingly, the deadline for entry in the share register for the General Meeting on Friday, 7 May 2021 was fixed at 5 p.m. on Monday, 3 May 2021. From 4 May to 7 May 2021 no entries will be made in the share register.

7 Change of control and defensive measures

The Liechtensteinische Landesbank is a banking institute licensed under Liechtenstein law with its registered office in the Principality of Liechtenstein. As a Liechtenstein bank listed on SIX Swiss Exchange, Liechtensteinische Landesbank AG must in addition to complying with Liechtenstein law also comply with various Swiss regulatory requirements. Since 1 January 2016, the provisions regarding the disclosure of significant shareholders are regulated in the Financial Market Infrastructure Law and in the Financial Market Infrastructure Ordinance and also apply to the LLB.

Shareholders attaining, falling below or exceeding the threshold percentages of 3, 5, 10, 15, 20, 25, 33.33, 50 or 66.67 of voting rights must notify SIX and the LLB (www.llb.li/thresholds).

The Liechtensteinische Landesbank's statutes contain no regulations comparable with the Swiss provisions regarding opting out or opting up. Likewise, there are no changes of control clauses in favour of the members of the Board of Directors and / or the members of the Group Executive Board or other senior executives.

Pursuant to the Law on the Liechtensteinische Landesbank, the Principality of Liechtenstein holds at least 51 per cent of the capital and votes.

8 Independent auditors

8.1 Duration of mandate and term of office

8.1.1 Date of acceptance of existing auditing mandate

Every year, the General Meeting of Shareholders appoints one or more natural or legal entities as the independent auditors in accordance with the legal provisions. The independent auditors examine the company's adherence to the legal provisions, the statutes and the other regulations.

PricewaterhouseCoopers AG, St. Gallen, has served as the independent auditors of the Liechtensteinische Landesbank according to company and banking law since 1998. Pursuant to person and company law and banking law, the independent auditors were elected by the General Meeting of Shareholders on 8 May 2020 at the proposal of the Board of Directors for a period of one year.

8.1.2 Term of office of the auditor in charge of the current auditing mandate

Claudio Tettamanti has been the responsible auditor in charge since 2014. The auditor in charge changes every seven years.

8.2 Audit fees

In the 2020 business year, PricewaterhouseCoopers AG invoiced the companies of the LLB Group for CHF thousands CHF 1'301 (2019: CHF thousands 1'129) in respect of audit fees. These fees include the work carried out as required by the respective regulatory authorities. In addition, in the 2020 business year, PricewaterhouseCoopers AG received CHF thousands 233 (2019: CHF thousands 263) for services in connection with our own investment funds.

The Group Audit Committee oversees the fees paid to PricewaterhouseCoopers AG for their services.

8.3 Additional fees

For other services in 2020, PricewaterhouseCoopers AG invoiced the LLB Group companies CHF thousands 250 (2019: CHF thousands 342).

Audit fees and additional fees

in CHF thousands	2020	2019
Audit fees	1'301	1'129
Additional fees	250	342
Corporate finance	55	0
Taxation advice	185	333
Legal and other advice	10	9

8.4 Information instruments of the external auditors

The Group Audit Committee fulfils a supervisory, control and monitoring function, which also extends to the internal and external auditors. It is responsible, among other tasks, for:

- ♦ Discussing and taking note of the risk analysis made by the external auditors, the auditing strategy derived from it and the respective risk-oriented auditing plan;
- ♦ The discussion of major problems identified during the auditing process with the external auditors;
- ♦ the monitoring of the implementation of recommendations put forward by the external auditors and Group Internal Audit to eliminate problems;
- ♦ The evaluation of the audit reports submitted by the external audit and Group Internal Audit to the Board of Directors;
- ♦ The assessment of the qualification, quality, independence, objectivity and performance of the external and Group Internal Audit;
- ♦ The discussion of the annual activity report and annual planning including risk analysis of Group Internal Audit with assessment of whether this business unit has adequate resources and competences and submission of a proposal for approval to the Board of Directors;
- ♦ The examination of the compatibility of external auditors' auditing activities with possible consulting mandates as well as the evaluation and discussion of their professional fees;
- ♦ The evaluation of the collaboration between the external auditors and Group Internal Audit;
- ♦ The submission of a proposal to the Board of Directors for the attention of the General Meeting regarding the appointment or dismissal of the external auditors (appointed according to banking law

and person and company law). The Group Audit Committee is responsible for defining the procedure to appoint new external auditors.

The external auditors perform their work in accordance with the legal provisions, and according to the principles of the profession in the respective country of domicile of the Group company, as well as according to the "International Standards on Auditing". The independent auditors regularly report to the Board of Directors, the Group Audit Committee and the Group Executive Board about their findings and submit suggestions for improvements to them. The most important report is the audit report on the LLB Group required by banking law. This summarized report is submitted in writing to the Board of Directors once a year. In addition, the responsible auditor in charge of the external auditors presents a report at one meeting of the Group Audit Committee. All reports from the internal and external auditors concerning all Group companies are submitted to the Group Audit Committee.

Important findings in the reports of the internal and external auditors since the last meeting and all reports concerning the Group companies are addressed at the next meeting of the Group Audit Committee. The Head of Group Internal Audit is responsible for providing the relevant information and reports directly to the Group Audit Committee. He is appointed by the Board of Directors and is subordinate to the Board's Chairman.

Representatives of the external auditors participated in six meetings of the Group Audit Committee but did not attend any meetings of the Board of Directors during the report period. The Head of Group Internal Audit attended all the meetings of the Group Audit Committee and all the meetings of the Board of Directors. The external auditors submit periodic reports dealing with the audit planning based on risk analysis, the current audit reporting, the annual activity report as well as on a comparison of actual with budgeted fees.

The Group Audit Committee annually evaluates the performance of the external and internal auditors in their absence. The following criteria are applied in assessing the performance of the external auditors and their professional fees (auditing and additional fees): comparison of fees and budgeted fees as well as the previous year's fees, feedback from the departments audited, quality of the auditors' findings, structured assessment of the auditors' expertise. The independence of the external auditors is evaluated on the basis of the information concerning independence provided in the annual report of PricewaterhouseCoopers AG and an assessment of their conduct. The cost planning and its observance are also reviewed and discussed annually. Furthermore, the Group Audit Committee periodically reviews alternatives and submits a proposal to the full Board of Directors for the attention of the General Meeting regarding the appointment of the external Group auditors.

Additional orders are placed on the basis of offers from competitors taking into consideration the level of expertise. The Group Audit Committee bases its assessment of the placing of orders for additional services on the periodic reports it receives from Group Internal Audit regarding reliability, scope and relation to audit fees.

The Group Audit Committee reports to the full Board of Directors once a year concerning the activities of the external auditors and the assessment of their performance.

The external auditors have direct access to the Board of Directors at all times. The primary point of contact for the external auditors is the Group Audit Committee. They hold regular discussions with the Chairman of the Board of Directors and the Chairman of the Group Audit Committee.

9 Information policy

The Liechtensteinische Landesbank simultaneously, comprehensively and regularly provides its shareholders, clients, employees and the general public with information. This ensures that all stakeholder groups are treated equally. Equality of opportunity and transparency are ensured through institutionalizing and nurturing these ties as well as establishing and preserving relationships that are based on trust with the financial community, on the one hand, and with the media and all other interested recipients of information, on the other.

The most important information media of the Liechtensteinische Landesbank are its web site (www.llb.li) as well as its annual and interim reports, media communiqués, its media and financial analysts conference and the conference call for media and analysts, and its General Meeting of Shareholders.

As a listed company, the Liechtensteinische Landesbank is obliged to publish information about potential share price-relevant facts (ad hoc publicity, Art. 72 of the exchange listing regulations). To receive ad hoc announcements in accordance with the directives for ad hoc publicity automatically, an interested party can register at www.llb.li/registration. Ad hoc announcements are published under the link www.llb.li/mediacommuniques.

If you have any questions, please contact the following person who is responsible for investor relations:

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Date	Time	Event
	7.00 a.m.	Publishing of 2020 business result at www.llb.li ; release of online Annual Report 2020 at ar2020.llb.li
11 March 2021	10.30 a.m.	Financial reporting and analyst conference
12 March 2021		2020 business result advertisement in the "Liechtensteiner Vaterland" and the "Liechtensteiner Volksblatt"
09 April 2021		Printed edition of short report 2020
07 May 2021	6.00 p.m.	General Meeting of Shareholders
11 May 2021		Ex-dividend date
12 May 2021		Dividend record date
13 May 2021		Dividend payment date
	7.00 a.m.	Publishing of interim financial statement 2021; publication of printed interim financial statement 2021 and release of online interim financial statement 2021 at www.llb.li
24 August 2021	10.30 a.m.	Conference Call
25 August 2021		2021 interim financial result advertisement in the "Liechtensteiner Vaterland" and the "Liechtensteiner Volksblatt"

10 Important changes since the balance sheet date

The Board of Directors proposes to the 29th ordinary General Meeting of Shareholders on 7 May 2021, that Georg Wohlwend be elected as Chairman of the Board of Directors, and that Thomas Russenberger and Richard Senti be re-elected as members of the Board of Directors for a term of office of three years.

PricewaterhouseCoopers AG, St. Gallen, has been the external auditor of the LLB Group since 1998. For corporate governance reasons, and with a view to the imminent introduction of the mandatory rotation of the auditor in charge, the Board of Directors believes that, after this long period, a change in the external auditors would be appropriate. It proposes to the General Meeting 2021 that KPMG (Liechtenstein) AG be appointed as the new external auditors.

Group CEO Roland Matt decided on 25 January 2021 to leave the LLB Group to pursue a new professional challenge. He stood down from his function with immediate effect. Urs Müller, Vice Group Chief Executive Officer and Head of the Retail & Corporate Banking Division took over the function of Group CEO temporarily from 26 January 2021. Urs Müller, Deputy Group CEO and Head of the Private and Corporate Clients Division, held the position of Group CEO on an interim basis from 26 January to 28 February 2021. Gabriel Brenna has been appointed by the Board of Directors as the new Group CEO as of 1 March 2021. He will continue to lead the Private Banking Division until further notice.

Compensation report

The LLB Group has a progressive compensation system that has been recognised by the Swiss Institute of Directors. It is based on the results of behavioural economics research carried out by Prof. Ernst Fehr from the University of Zurich. It focuses, in particular, on sustainable, long-term-oriented action.

Introduction

Pursuant to the "Ordinance against Excessive Compensation with respect to Listed Stock Corporations" (OaEC), Swiss public companies whose shares are listed on an exchange in Switzerland or abroad must publish details about the compensation of the members of their governing bodies in a compensation report. The details to be reported are set out in Art. 13 to 16 of the OaEC.

According to the Regulatory Board Communiqué No. 2 / 2014 of 1 September 2014, No. II, all companies listed on the SIX Swiss Exchange shall have to disclose the same information on corporate governance. Issuers that are not subject to the regulations of the OaEC have, therefore, to publish details about the compensation of the members of the Board of Directors and the Board of Management in the same manner as Art. 14 to 16 of the OaEC. By publishing this compensation report, Liechtensteinische Landesbank AG is fulfilling this obligation.

The following report deals with the compensation policy, the basis and elements of the compensation, the responsibilities and methods of determining compensation. The compensation paid during the 2020 business year is also presented.

Compensation policy

On 18 August 2011, the Board of Directors issued the Group regulation "Compensation standards" for Liechtensteinische Landesbank AG and its Group companies (revised on 1 February 2020). The Group regulation is based on: the current version of the Ordinance on Banks and Investment Firms (Banking Ordinance) of 22 February 1994, in particular Appendix 4.4; EU Directive 2013 / 36 / EU (CRD IV) of 26 June 2013; Regulation No. 575 / 2013 (CRR) of 26 June 2013; Delegated Regulation No. 527 / 2014 of 12 March 2014; Delegated Regulation No. 604 / 2014 of 4 March 2014; Delegated Regulation No. 2016 / 861 of 18 February 2016; and EBA Guideline "EBA / GL / 2015 / 22" of 27 June 2016. These legal provisions are applied to the LLB Group in a way and to a degree that is commensurate with its size and internal organisation as well as the type, scope and complexity of its business.

The Group regulation "Compensation standards" regulates the framework for the Group-wide compensation policy, in particular in regard to its alignment to risk management. It stipulates the basis, values and objectives and sets out the minimum requirements for the design of the compensation systems. In addition, it regulates Group-internal and Group-external reporting as well as related responsibilities. The Group regulation applies particularly to those persons who are identified as risk takers in a process that is carried out annually. To implement the Group regulation "Compensation standards" at Liechtensteinische Landesbank AG, the Board of Directors has also issued the separate regulation "Compensation standards" (revised on 1 February 2020).

As a company exempt from Art. 12, Para. 2 of the OaEC, Liechtensteinische Landesbank has not stipulated any regulations concerning compensation, participation and loans. The Group companies issue company-specific compensation guidelines that take into consideration the applicable (special) legal regulations. Deviations from the Group regulation are only permitted if they stem from prevailing law or special legal regulations.

The compensation policy is in line with the business strategy as well as with the targets and values of the LLB Group and is based on the following principles:

- ♦ **Sustainability and risk adjustment:** Compensation practices must contribute to long-term corporate development. They must support risk management and the pursuit of both lasting increases in the company's value and longterm client and employee retention. Compensation policy has to offer incentives in a manner that allows for adequate risk behaviour by individual persons in order to counteract any conflicts of interest.
- ♦ **Foundation of trust:** The design of the compensation regulations and processes is based on a mutual foundation of trust between employees and employers. This is necessary because there are time differences between the provision of the performance and the acceptance of responsibility on the one hand, and the payment of the compensation on the other. Furthermore, a performance appraisal has subjective elements. Accordingly, the voluntary nature of the payment of the variable component must be ensured and attention must be drawn to the scope of discretion in this respect.
- ♦ **Performance and success orientation:** Compensation practices also have to reward both individual performance and companyrelated performance. The focus on the Group's success promotes, and is in line with, the LLB Group's longterm interests. Acknowledging individual performance serves performance motivation, the management of individual performance contributions towards achieving company targets as well as the retention of top performers.
- ♦ **Simplicity, clarity and comprehensibility:** The compensation regulations and models are to be kept simple, clear and comprehensible. Employees as well as third parties should be able to easily understand the basic concepts.
- ♦ **Fair compensation in accordance with responsibilities and management level:** The determination of compensation also has to consider the workload as well as the degree of responsibility and reflect the different management level requirements in a clear and fair manner.
- ♦ **Group orientation:** Compensation has to promote Group orientation. It aims to further commitment towards Group success and increased identification with the Group through employee participation in the long-term development of value and in shared ownership by means of an appropriate share option scheme.
- ♦ **Freedom from discrimination:** All decisions concerning the employment relationship, including decisions on compensation, are based on the qualifications, the performance and the conduct of the individual or on other legitimate, objective corporate considerations.

The compensation policy forms the basis for the compensation standards stipulated in appropriate regulations and for the compensation model. The compensation standards set out the objectives, processes and requirements for the design of the compensation. They also contain rules for the alignment between compensation and risk management. For employees who receive a variable component of compensation, the compensation model specifies the ratio between fixed and variable portions and the allocation mechanism for the variable portion.

Elements of compensation

The compensation model of the LLB Group

The LLB Group's compensation model aims at ensuring that compensation is performance-linked. Among other elements, this means that an above-average performance has a positive and a below-average performance a negative effect on the amount of compensation. In accordance with the compensation policy, the compensation model focuses on sustainable, long-term-oriented action.

The LLB Group's compensation model was developed in conjunction with FehrAdvice & Partners AG, Zurich. It is based on the results of behavioural economics research carried out by Prof. Ernst Fehr from the University of Zurich. A key performance indicator is the so-called MarketAdjusted Performance Indicator (MAPI). The MAPI captures the company as holistically as possible, which means it reveals not only shortterm successes but also longterm effects. The MAPI gives an undistorted, holistic view of management performance. This is done by comparing the long-term stock return of a company (total shareholder return (TSR)) with the TSR of a tailored, relevant comparable group and allows external market effects to be factored out. The difference between the TSR of the company and that of the comparable group gives an indication of the actual performance of the company's management.

In March 2017, the LLB Group's compensation model was honoured by the Swiss Institute of Directors as the best salary model in 2016 of all companies listed on the Swiss stock exchange. The jury of experts

described the compensation model as «exemplary». The three main criteria by which it was judged were internal fairness, external fairness and performance-related fairness.

The compensation system of the LLB Group

The compensation system is essentially based on the following approaches:

- ♦ **Clear performance incentives, performance orientation and transparency:** A target compensation (total compensation or total target compensation) is defined for each employee. A bonus/malus logic ensures that employees earn more or less than their target compensation depending on whether they exceed or do not attain their objectives. Compensation depends on performance and not on corporate results that can be affected by market conditions. Acknowledging individual performance serves performance motivation, the management of individual performance contributions towards achieving company targets as well as the retention of top performers.
- ♦ **Uniform focus on the structure of the LLB Group:** The compensation system across the whole Group follows a uniform logic and is in accordance with the management structure.
- ♦ **Fair compensation in accordance with responsibilities and management level:** The determination of compensation considers the workload as well as the degree of responsibility and reflects the different requirements in a clear and fair manner.
- ♦ **Objective orientation:** The variable component of the target compensation depends on the salary model and the attainment of objectives, which are determined during the annual objectives setting process and reflect the orientation of and change in the bank. The focus on the MAPI promotes, and is in line with, the LLB Group's longterm interests. The fulfilment of basic tasks is shown through the function level and thus in the assignment of the reference compensation curve.
- ♦ **Fairness and freedom to act:** The variable salary component is a significant part of the target compensation. Internal transfers and departures are possible at any time and calculated fairly on a pro rata basis.
- ♦ **Integrity and trust:** Mutual trust between employees and employers is necessary because there are time differences between the provision of the performance and the acceptance of responsibility on the one hand, and the payment of the compensation on the other. Furthermore, a performance appraisal always has subjective elements. As a reliable employer, the LLB Group also stands by its employees in difficult times.

These approaches should ensure the understanding of the functioning of the compensation system and fairness for the employees.

Target compensation

Around 40 per cent of employees receive a fixed compensation without a variable component. For around 60 per cent of employees, the target compensation consists of a fixed and a variable component. The fixed component encompasses all contractually agreed or statutory compensation, which is already stipulated prior to the provision of any performance. The variable component includes, in particular, those elements of compensation which vary depending on various criteria, such as the business success of the company, the individual performance of the employee or the results attained by the organisational unit. In general, the amount and payment of the variable component is at the free discretion of the employer.

Fixed component of target compensation

The fixed component must be reasonably proportionate to the variable component. This proportionate relationship is specified in the individual compensation guidelines of Liechtensteinische Landesbank AG and of the LLB Group companies. Depending on the salary model, it varies from 67 to 100 per cent of the target compensation.

Variable component of target compensation

The variable component of the target compensation is paid in cash and / or in the form of an entitlement to acquire LLB shares, which is subject to a blocked period of three years. Other financial instruments, such as options or bonds, are not considered. The variable component may not exceed 100 per cent of the fixed component of the total compensation for each person.

A clawback ruling applies to the blocked portion of the variable compensation, which is largely governed by the individually attained performance and the risks taken. If a significant change occurs in the

assessment of performance and risks during the blocking period (for example, inadequate due diligence, untrustworthy business management or incurring excessive risks), the acquired share entitlements are to be reduced accordingly. The body which determines the amount of the variable compensation during the annual compensation process will decide about the reduction of the share entitlements. Moreover, the share entitlement in the year concerned will be forfeited if the average Group net profit in the last three years is negative.

A guaranteed variable compensation, for example in the form of a minimum bonus, may only be promised in exceptional circumstances and must be limited to the first working year. As a basic principle, no severance compensation and no additional voluntary annuity payments will be made to employees who leave the company.

The fixed compensation component and the variable target compensation are insured in the staff pension scheme for old age, death and invalidity. The employees of the LLB Group receive fringe benefits in the form of preferential conditions on bank products as customary in the industry as well as a limited preferential interest rate for mortgage loans and on credit balances.

Group Internal Audit is responsible for reviewing the implementation of the Group regulation "Compensation standards" once a year. The results of this review are reported in writing to the Board of Directors. The compensation of senior executives in the areas of risk management and compliance at the parent bank and at the LLB Group companies is reviewed once a year by the relevant Board of Directors or by the Compensation Committee (if such a body exists in the Group company). The Group Nomination & Compensation Committee carries out these tasks for the Group functions.

Compensation of the Board of Directors and the Group Executive Board

Board of Directors

The Board of Directors stipulates the amount of compensation of its members in accordance with their duties and responsibilities. The members of the Board of Directors receive a fixed compensation, which includes the participation in (ordinary and extraordinary) meetings and the General Meeting of Shareholders. Activities in committees are compensated by a fixed amount per committee per year; no additional attendance fees are paid. The compensation is paid out in cash and in the form of entitlements for the acquisition of LLB shares. The number of LLB shares for the entitlement is calculated on the basis of the average share price in the last quarter of the business year. The entitlement to acquire LLB shares is subject to a blocked period of three years.

The members of the Board of Directors do not receive any variable compensation. They also do not profit from the additional benefits for staff (fringe benefits) or from their preferential conditions on bank products. Business relations with them are subject to the same conditions that apply to comparable transactions with third parties. On account of legal provisions, no severance payment may be made in the event of the termination of a mandate (Art. 21, Para. 2 of the law concerning the control and supervision of public companies).

Compensation in 2020 was determined on the basis of a compensation benchmark, which was comprised of 20 companies from the banking and investment services industry in Liechtenstein and Switzerland that have a comparable business model, carried out by Hostettler & Company in 2019. Their business performance, balance sheet total and employees (FTEs) are all within a range of about 50 to 250 per cent of the size of LLB. Applying equal weighting to the financial variables, LLB is positioned close to the market median of the defined comparable companies.

Group Executive Board

A target compensation is defined for each member of the Group Executive Board. It consists of a fixed compensation (67 %) and a variable target compensation (33 %). The target compensation corresponds to the compensation attributable to the member of the Group Executive Board if the TSR of the LLB share corresponds to the TSR of the peer group.

The compensation model also contains a bonus-malus provision. The members of the Group Executive Board receive more or less than their target compensation depending on whether they exceed, partly attain or do not attain the annual objectives. The maximum bonus possible is 200 per cent of the

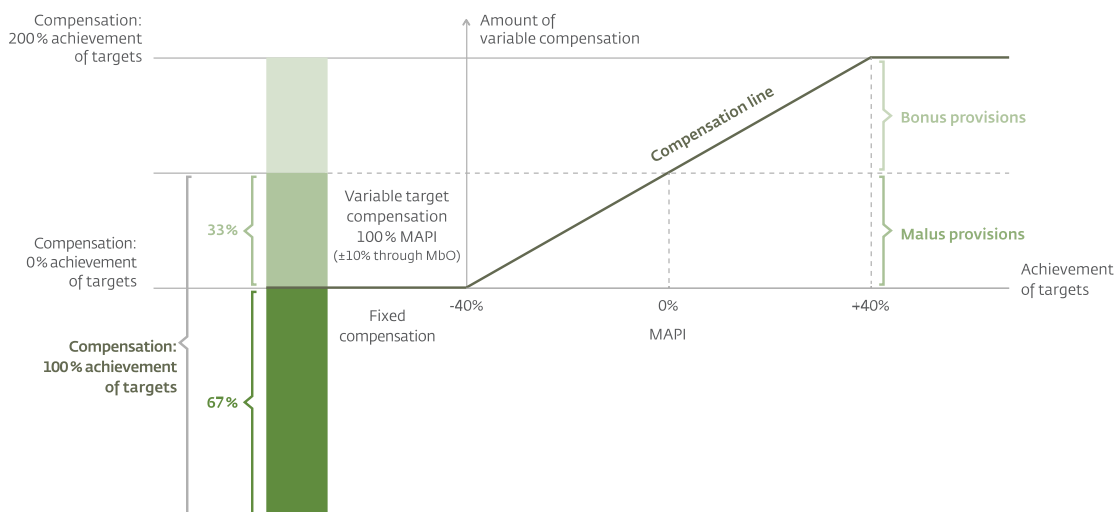
variable target compensation and the maximum malus possible is 0 per cent of the variable target compensation. This means that the variable compensation is limited to the total amount of the fixed compensation.

The fixed compensation in relation to the functions of the Group Executive Board in 2020 was determined on the basis of a compensation analysis carried out by the Kienbaum Consultants International company in 2018. It comprised between 20 and 24 comparable banks and between 24 and 31 comparable positions per function represented on the Group Executive Board. The comparable groups included in particular financial institutions that are of a similar size to LLB. This means that companies with a size of up to plus / minus 50 per cent were used in the comparison. Relevant for the determination of size was the number of people employed on the one hand, and the balance sheet total on the other. In the case of significantly larger companies, comparable positions with a similar scope of responsibility, which are typically found at lower hierarchical levels, were used. In addition, the determination of comparable functions was – where possible – based on the function value.

The amount of the variable compensation is determined by the Group performance. This is measured using relative total shareholder return (TSR), i. e. the so-called MarketAdjusted Performance Indicator (MAPI). This is done by comparing the TSR of the LLB share in relation to the TSR of a peer group. The peer group is broadly diversified and comprises a group of 26 banks. These were selected on the basis of comprehensible decision criteria (size, business area, region and statistical correlation). Since the 2017 business year, the peer group has been composed exclusively of banks from the LLB Group's three home markets of Liechtenstein, Switzerland and Austria. Its composition is discussed and evaluated annually by the Group Nomination & Compensation Committee. A thorough empirical review is conducted every three years.

The Board of Directors can adjust the variable compensation, based on the individual performance within the framework of the Management by Objectives (MbO) process, by plus / minus 10 per cent of the variable target compensation.

Compensation model: Group Executive Board



Geographic distribution of the 26 banks in the peer group*

Liechtenstein	1
Switzerland	20
Austria	5

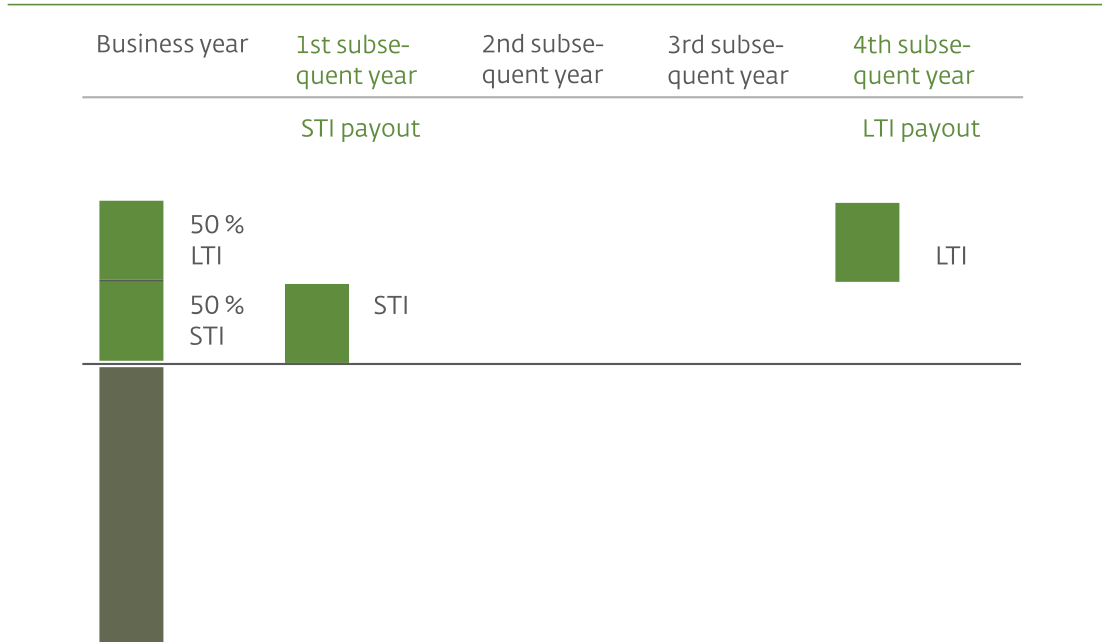
* The peer group is generally reviewed every three years by FehrAdvice & Partners AG. A review was carried out in summer 2019 at regular intervals, which resulted in an increase of the peer group by two banks as of 1 January 2020. Due to the acquisition of Semper Constantia Privatbank AG and its merger with LLB Österreich to form Liechtensteinische Landesbank (Österreich) AG in 2018, the peer group was expanded by two Austrian banks to a total of 26 banks (2019: 24 banks).

The MAPI compares the management's performance with that of a comparable group of banks. Market effects can be eliminated from the performance indicator by comparing performance with a peer group. The MAPI is therefore free of external market effects. It is calculated annually by FehrAdvice & Partners AG.

If the MAPI is 0 per cent, which means that the TSR of the LLB share corresponds to the TSR of the peer group, the members of the Group Executive Board receive their variable target compensation. The variable compensation is linearly dependent on the MAPI. No variable compensation is paid if the MAPI is minus 40 per cent or less. If the MAPI is 40 per cent or more, the maximum variable compensation is paid, which is capped at 200 per cent of the variable target compensation.

The fixed compensation is paid out in cash every month, the variable component is provided in the first quarter of the following year. The variable compensation comprises a shortterm incentive (STI) and a longterm incentive (LTI). The STI is paid in cash and the LTI is paid in the form of an entitlement to acquire LLB shares. The distribution between the STI (50 %) and the LTI (50 %) is statutorily fixed. The number of LLB shares for the LTI is calculated on the basis of the average share price in the last quarter of the business year. The LTI is subject to a blocked period of three years. The three-year period remains in force even after termination of employment. After three years, the entitlement to acquire shares is transformed into a right to the transfer of the corresponding LLB shares. The share entitlement can be withdrawn or reduced if – during the threeyear period – there are significant changes in the assessment of performance and / or risk behaviour of the member of the Group Executive Board. Moreover, the share entitlement in the year concerned will be forfeited if the average Group net profit in the last three years is negative. At the end of the threeyear period, the Group Nomination & Compensation Committee examines whether the prerequisites for the entitlement have been met. The Committee submits its decision to the Board of Directors for a final decision.

LTI with clawback mechanism



- Variable compensation
- Fixed compensation

The employment relationship of the members of the Group Executive Board is stipulated in individual employment contracts. The period of notice is four months. The contracts of employment do not contain any special clauses, such as, for example, severance compensation following the termination of employment or even in the event of a change in control.

The fixed compensation component and the variable target compensation are insured in the staff pension scheme for old age, death and invalidity. The members of the Group Executive Board are subject to the same conditions in relation to fringe benefits as apply to other employees of the LLB Group. The preferential conditions on bank products as customary in the industry largely consist of a limited preferential interest rate for mortgage loans and on credit balances.

Responsibilities and methods of determining compensation

The Group Nomination & Compensation Committee (see point "[Composition of all Board of Directors' committees, their tasks and terms of reference](#)", chapter "[Corporate governance](#)") advises the Board of Directors in all aspects concerning compensation. Its tasks include:

- ♦ The formulation of recommendations for the stipulation of principles and the establishment of regulations for the compensation policy concerning the members of the Board of Directors, the members of the Group Executive Board and the other employees of the bank for submission to the Board of Directors;
- ♦ The formulation of proposals for the compensation of members of the Board of Directors and of the Group Executive Board as well as the Head of Group Internal Audit for submission to the Board of Directors in accordance with existing principles and regulations;
- ♦ The annual review of the Group regulation "Compensation standards", the LLB AG regulation of the same name as well as the Group regulation "Fit & Proper – Assessment of the suitability of members of the Board of Management, the Board of Directors and key function holders" for submission to the Board of Directors;
- ♦ The annual review of the compensation of the members of the Board of Directors, members of the Group Executive Board, the Head of Group Internal Audit and senior executives in the areas of risk management and compliance pursuant to the Group regulation "Compensation standards" and the LLB AG regulation of the same name for submission to the Board of Directors in accordance with existing principles and regulations;
- ♦ The annual review of the compensation of the members of the Board of Directors and the Group Executive Board, the Head of Group Internal Audit as well as senior executives in the areas of risk management and compliance in accordance with the Group regulations "Compensation Standards" and the regulations of LLB AG of the same name for the attention of the Board of Directors - this in accordance with existing principles and regulations.

The Board of Directors approves the principles and regulations governing compensation and specifies annually the amount of the compensation for the members of the Board of Directors and the members of the Group Executive Board, which reflects their professional experience and the organisational responsibility they bear in the company. The decision regarding the amount of the compensation of the members of the Board of Directors and the members of the Group Executive Board is made at the discretion of the Board of Directors and is based on their duties and responsibilities. The amount of variable compensation of the Board of Management is dependent on the individual fixed compensation from the compensation model. The Chairman of the Group Executive Board has a right of proposal concerning the compensation of the other members of the Board of Management. The members of the Group Executive Board are not present at the discussion and the decision concerning the amount of their compensation. Pursuant to Art. 12, Para. 2 of the Law on the Liechtensteinische Landesbank, the Board of Directors must inform the Government about the compensation ruling specified for it. Liechtensteinische Landesbank does not submit the total compensation of the Board of Directors and the Group Executive Board to the General Meeting of Shareholders for approval. It also does not hold an advisory vote on the question of compensation.

Compensation in 2020

For the 2020 business year, the members of the Board of Directors received a fixed compensation of CHF thousands 952. Contributions to benefit plans and other social contributions amounted to CHF thousands 105. The fixed compensation was paid in cash (CHF thousands 783) as well as in the form of an entitlement to acquire LLB shares (CHF thousands 169). The entitlement to acquire LLB shares is subject to a blocked period of three years.

In comparison with the previous year, the total compensation of the members of the Board of Directors increased by CHF thousands 32 or 3.1 per cent. The higher compensation expense in 2020 was attributable mainly to the fact that up to the General Meeting of May 2019 the Board of Directors was

composed of six members. Up until the resignation of Georg Wohlwend as the Chairman of the Board of Directors at the beginning of November 2020, the Board consisted of seven members. Since then, it has had six members.

For the 2020 business year, the members of the Group Executive Board received a fixed compensation of CHF thousands 3'570 and a variable compensation of CHF thousands 1'470. Contributions to benefit plans and other social contributions amounted to CHF thousands 1'183. The fixed compensation was paid in cash. The variable compensation was paid in cash (50 %) as well as in the form of an entitlement to acquire LLB shares (50 %), which is subject to a blocked period of three years. The number of shares for the share-based compensation is calculated from the average share price of the last quarter of 2020 (CHF 53.80). The variable compensation for the members of the Group Executive Board was, on average, approximately 41.2 per cent of the fixed compensation or 23.6 per cent of total compensation.

The total compensation of the members of the Group Executive Board in 2020 increased by CHF thousands 90 or 1.5 per cent. This increase (plus CHF thousands 186) was primarily the result of the salary adjustments effective as of 1 January 2020. There was also an increase in contributions to benefit plans and other social contributions of CHF thousands 49. The variable compensation, on the other hand, decreased by CHF thousands 144 or 8.9 per cent. The performance of the LLB share was worse in the 2020 business year than the performance of the comparable group. The total shareholder return (TSR) of LLB was minus 12.3 per cent and thus below the TSR of the peer group (minus 5.3 %). The relative MAPI was therefore minus 7.0 per cent (previous year: minus 2.5 %). Consequently, the degree of objective attainment for the variable target compensation is 82.5 per cent (previous year: 93.7 %).

The total compensation of the members of the Board of Directors and the members of the Group Executive Board for the 2020 business year is reported on an accrual basis. The variable compensation was charged to the 2020 income statement. Payment of the STI to the members of the Group Executive Board will be made in the first quarter of 2021. The entitlement to acquire LLB shares by the Group Executive Board (LTI) and the Board of Directors is subject to a blocked period of three years.

Details of the compensation and the participations of the members of the Board of Directors and the Group Executive Board, as well as loans to them are shown in the following table.

Compensation of key management personnel

in CHF thousands	Fixed compensation		Variable compensation		Contribution to benefit plans and other social contributions		Entitlements		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Members of the Board of Directors										
Georg Wohlwend, Chairman * until 03.11.2020	275	300	0	0	73	80	37	40	385	420
Gabriela Nagel-Jungo, Vice Chairwoman	154	123	0	0	14	12	32	30	200	165
Patrizia Holenstein, Member	70	70	0	0	7	8	20	20	97	98
Urs Leinhäuser, Member **	81	82	0	0	0	0	20	20	101	102
Thomas Russenberger, Member	71	64	0	0	5	5	20	20	96	89
Richard Senti, Member	76	76	0	0	6	6	20	20	102	102
Karl Sevelda, Member since 04.05.2019	56	36	0	0	0	0	20	13	76	49
Total	783	751	0	0	105	111	169	163	1'057	1'025
Members of the Board of Management ***										
Roland Matt, Group CEO	804	737	167	186	231	220	167	186	1'369	1'329
Other members of the Board of Management	2'766	2'647	568	621	952	915	568	621	4'854	4'804
Total	3'570	3'384	735	807	1'183	1'135	735	807	6'223	6'133

* Georg Wohlwend stepped down from the Board of Directors on 3 November 2020. The duties of the Chairmanship have been taken over by Vice Chair Gabriela Nagel-Jungo.

** The compensation was paid to Adulco GmbH.

*** The Board of Management comprises six members.

Shareholdings of related parties

	Registered shares	
	31.12.2020	31.12.2019
Members of the Board of Directors		
Georg Wohlwend, Chairman * until 03.11.2020		640
Gabriela Nagel-Jungo, Vice Chairwoman	1'634	1'137
Patrizia Holenstein, Member	1'935	1'438
Urs Leinhäuser, Member	1'649	1'152
Thomas Russenberger, Member	0	0
Richard Senti, Member	300	300
Karl Sevelda, Member since 04.05.2019	0	0
Total	5'518	4'667
Members of the Board of Management		
Roland Matt, Group CEO	20'912	16'392
Urs Müller, Vice Group CEO	26'358	21'381
Gabriel Brenna	24'712	20'951
Natalie Flatz	4'315	2'546
Patrick Fürer	8'000	8'000
Christoph Reich	16'105	11'735
Total	100'402	81'005
Other related companies and parties		
Related parties	4'550	4'550
Total	4'550	4'550

* Georg Wohlwend stepped down from the Board of Directors on 3 November 2020. Vice President Gabriela Nagel-Jungo has taken over the task of chairing the Board.

No member of the Board of Directors or the Board of Management owns more than 0.1 per cent of the voting rights.

Loans to key management personnel

in CHF thousands	Fixed mortgages		Variable mortgages		Total	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Members of the Board of Directors						
Georg Wohlwend, Chairman * until 03.11.2020		0		0		0
Gabriela Nagel-Jungo, Vice Chairwoman	400	400	0	0	400	400
Patrizia Holenstein, Member	0	0	0	0	0	0
Urs Leinhäuser, Member	0	0	0	0	0	0
Thomas Russenberger, Member	0	0	0	0	0	0
Richard Senti, Member	575	575	93	93	668	668
Karl Sevelda, Member since 04.05.2019	0	0	0	0	0	0
and related parties	0	0	0	0	0	0
Total	975	975	93	93	1'068	1'068
Members of the Board of Management						
Roland Matt, CEO	2'000	1'000	1'000	0	3'000	1'000
Other members of the Board of Management **	1'560	1'560	0	0	1'560	1'560
and related parties ***	0	0	0	0	0	0
Total	3'560	2'560	1'000	0	4'560	2'560

* Georg Wohlwend stepped down from the Board of Directors on 3 November 2020. Vice President Gabriela Nagel-Jungo has taken over the task of chairing the Board.

** In addition there is a surety limit of CHF thousands 84 for a member of the Board of Management.

*** There is a surety limit of CHF thousands 84.

At 31 December 2020, the maturities of the fixed mortgages for the members of the Board of Directors and related parties ranged between 3 and 63 months (previous year: between 15 and 63 months) at standard market client interest rates of 0.95 to 1.65 per cent per annum (previous year: 0.95 to 1.65 %). One variable mortgage was granted at standard market conditions. The remaining term is 1 month with an interest rate of 0.95 per cent (previous year: remaining term of 1 month with an interest rate of 0.95 per cent).

At 31 December 2020, the maturities of the fixed mortgages for the members of the Board of Management ranged between 1 and 118 months (previous year: between 0 and 73 months) at interest rates of 0.46 to 1.80 per cent per annum (previous year: 0.60 to 1.80 %). This includes two newly granted fixed mortgages. Two variable mortgages were also granted at standard market conditions. The remaining term is 1 month with an interest rate of 0.65 per cent (previous year: none).

The fair value of the collateral for the newly issued mortgages amounted to CHF thousands 3'142.

Of the total amount for mortgages for the members of the Board of Management, CHF thousands 1'500 (previous year: CHF thousands 1'000) are granted at the preferential interest rate for staff, the remainder is subject to the standard market client interest rate. Other loans to the Board of Management were not granted (previous year: none).

No allowances for loans and other credits to management were necessary. LLB issued guarantees to third parties on behalf of management or related parties totalling CHF thousands 168 (previous year: CHF thousands 168).

Compensation, loans and credits to related parties pursuant to Art. 16, OaEC

Liechtensteinische Landesbank AG paid no compensation to persons pursuant to Art. 16, OaEC. Loans and credits to related parties pursuant to Art. 16, OaEC were granted at standard market conditions.



GRI Content Index

Find here our [Management Approaches \(PDF, German\)](#).

Find here the [Facts and Figures on the LLB Group's engagement for the environment, society and good governance \(PDF\)](#).

Universal standards

GRI 101: 2016 - Foundation

GRI 102: 2016 - General disclosures

Organisational profile

	GRI Standards and Disclosures	Information
102-1	Name of the organization	Liechtensteinische Landesbank AG
102-2	Activities, brands, products, and services	
102-3	Location of headquarters	Vaduz, Liechtenstein
102-4	Location of operations	
102-5	Ownership and legal form	
102-6	Markets served	
102-7	Scale of the organization	
102-8	Information on employees and other workers	
102-9	Supply chain	
102-10	Significant changes to the organization and its supply chain	none
102-11	Precautionary principle or approach	
102-12	External initiatives	
102-13	Membership of associations	

Strategy

	GRI Standards and Disclosures	Information
102-14	Statement from senior decision-maker	

Ethics and integrity

	GRI Standards and Disclosures	Information
102-16	Values, principles, standards, and norms of behavior	

Governance

	GRI Standards and Disclosures	Information
102-18	Governance structure	

Stakeholder engagement

	GRI Standards and Disclosures	Information
102-40	List of stakeholder groups	
102-41	Collective bargaining agreements	none
102-42	Identifying and selecting stakeholders	
102-43	Approach to stakeholder engagement	
102-44	Key topics and concerns raised	

Reporting practice

	GRI Standards and Disclosures	Information
		The annual report includes all companies in which the Group holds a 100 percent stake as well as Bank Linth LLB AG, unless explicitly stated otherwise.
102-45	Entities included in the consolidated financial statements	
102-46	Defining report content and topic Boundaries	
102-47	List of material topics	
		Subsequent corrections to previous year's figures are explained at the appropriate location in the report.
102-48	Restatements of information	
102-49	Changes in reporting	None
102-50	Reporting period	Calendar year 2020
102-51	Date of most recent report	March 2020
102-52	Reporting cycle	annually
102-53	Contact point for questions regarding the report	berit.pietschmann@llb.li
		This report has been prepared in accordance with the GRI Standards: Core option.
102-54	Claims of reporting in accordance with the GRI Standards	
102-55	GRI content index	
102-56	External assurance	none

Topic-specific standards

GRI 200 – Economic topics

GRI 201: 2016		Economic Performance	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 6	
201-1	Direct economic value generated and distributed		
201-3	Defined benefit plan obligations and other retirement plans		
201-4	Financial assistance received from government		

GRI 202: 2016		Market Presence	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 13	
202-2	Proportion of senior management hired from the local community		

GRI 203: 2016		Indirect Economic Impacts	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 13	
203-2	Significant indirect economic impacts		

GRI 205: 2016		Anti-corruption	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 5	
205-1	Operations assessed for risks related to corruption	MA, p. 5	
205-2	Communication and training about anti-corruption policies and procedures	MA, p. 5	
205-3	Confirmed incidents of corruption and actions taken	MA, p. 5	

GRI 206: 2016		Anti-competitive Behavior	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 4	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	MA, p. 4	

Risk and Reputation Management			
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 8	

Tax Compliance			
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 5	

Customer Orientation

	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 6	

Sustainable Products and Services

	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 7	
FS7	Monetary value of products and services designed to deliver a specific social benefit		
FS8	Monetary value of products and services designed to deliver a specific environmental benefit		

ESG-Integration in Asset Management

	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 8	

Corporate Governance and Corporate Culture

	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 3	

Ethics and Integrity

	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 3	

GRI 300 – Environmental topics

GRI 302: 2016		Energy	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 12	
302-1	Energy consumption within the organization		
302-4	Reduction of energy consumption		

GRI 305: 2016		Emissions	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 12	
305-1	Direct (Scope 1) GHG emissions		
305-2	Energy indirect (Scope 2) GHG emissions		
305-5	Other indirect (Scope 3) GHG emissions		

Mobility Management			
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 12	

GRI 400 – Social topics

GRI 401: 2016		Employment	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 9	
401-1	New employee hires and employee turnover		

GRI 402: 2016		Labor/Management Relations	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 10	
402-1	Minimum notice periods regarding operational changes		Not applicable

GRI 403: 2018		Occupational Health and Safety	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 11	
403-1	Occupational health and safety management system	MA, p. 11	
403-2	Hazard identification, risk assessment, and incident investigation	MA, p. 11	
403-3	Occupational health services	MA, p. 11	
403-4	Worker participation, consultation, and communication on occupational health and safety	MA, p. 11	
403-5	Worker training on occupational health and safety	MA, p. 11	
403-6	Promotion of worker health	MA, p. 11	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	MA, p. 11	
403-9	Work-related injuries		
403-10	Work-related ill health		

GRI 404: 2016		Training and Education	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 10	
404-2	Programs for upgrading employee skills and transition assistance programs		
404-3	Percentage of employees receiving regular performance and career development reviews		

GRI 405: 2016		Diversity and Equal Opportunity	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 10	
405-1	Diversity of governance bodies and employees		

GRI 406: 2016		Non-Discrimination	
	GRI Standards and Disclosures	Information	Omission

GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 10	
406-1	Incidents of discrimination and corrective actions taken	MA, p. 10	

GRI 413: 2016		Local Communities	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 14	
413-1	Operations with local community engagement, impact assessments, and development programs		
FS13	Access points in low-populated or economically disadvantaged areas		

GRI 415: 2016		Public Policy	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 14	
415-1	Political contributions	MA, p. 14	

GRI 417: 2016		Marketing and Labeling	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 4	
417-1	Requirements for product and service information and labeling		
417-3	Incidents of non-compliance concerning marketing communications	MA, p. 4	

GRI 418: 2016		Customer Privacy	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 5	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	MA, p. 5	

GRI 419: 2016		Socioeconomic Compliance	
	GRI Standards and Disclosures	Information	Omission
GRI 103: 2016 103-1/ 103-2/ 103-3	Management approach	MA, p. 3	
419-1	Non-compliance with laws and regulations in the social and economic area	MA, p. 3	

The issue of tax compliance, mentioned under the economic topics, refers to the prevention of evasion of applicable tax obligations by LLB clients. For this reason, the GRI Standard 207, which predominantly relates to the tax practices of the reporting company, is not applied in this report.

Unless otherwise stated, the references in this index refer to this report. In some cases, disclosures are provided in our online document on management approaches to sustainability. In these cases, the relevant references are marked with "MA".

For the Materiality Disclosures Service, the GRI Services Team verified that the GRI Content Index is clearly presented and the references for disclosures 102–40 to 102–49 agree with the corresponding parts of the report.