

# Financial statement of LLB AG, Vaduz

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# Management report

Liechtensteinische Landesbank AG was entered in the Commercial Register of the Principality of Liechtenstein on 3 August 1926 under the register number FL-0001.000.289-1.

The details of the management report of Liechtensteinische Landesbank AG, Vaduz, can largely be seen in the [consolidated management report of the LLB Group](#). The non-financial section of the report is contained in the management report.

On the balance sheet date, Liechtensteinische Landesbank AG, Vaduz, and its subsidiaries held a total of 232'935 registered shares (previous year: 288'410 shares). This corresponds to a share capital stake of 0.8 per cent (previous year: 0.9 %). With respect to the volume of, and changes to, treasury shares of Liechtensteinische Landesbank AG, reference is made to [note 6](#).

The Board of Directors proposes to the General Meeting of Shareholders on 6 May 2022 that a dividend of CHF 2.30 per registered share be paid out.

In connection with important events since the balance sheet date, reference is made to the notes at the end of the accounting principles in the LLB Group report. No additional data and / or a correction of the 2021 financial statement were necessary because of this.

## Balance sheet

in CHF thousands	Note	31.12.2021	31.12.2020	+ / - %
<b>Assets</b>				
Cash and balances with central banks		3'895'515	3'535'790	10.2
Due from banks		2'141'100	1'787'999	19.7
due on a daily basis		528'234	652'467	- 19.0
other claims		1'612'866	1'135'532	42.0
Loans	1a	7'051'322	6'812'923	3.5
of which mortgages	1a	5'828'290	5'546'370	5.1
of which subordinated claims (gross)		0	0	
Bonds and other fixed-interest securities	2b	1'646'266	1'576'280	4.4
Money market instruments		53'283	47'042	13.3
Bonds		1'592'983	1'529'237	4.2
from public authority issuers		357'728	341'417	4.8
from other issuers		1'235'256	1'187'820	4.0
of which subordinated bonds		0	0	
Shares and other non-fixed-interest securities	2	220'997	62'392	254.2
Participations	3 / 4	25	26	- 0.3
Shares in associated companies	3 / 4	500'864	437'482	14.5
Intangible assets	4	46'526	43'851	6.1
Fixed assets	4	76'515	77'732	- 1.6
Own shares	6	12'252	15'142	- 19.1
Other assets	7	293'419	280'400	4.6
Accrued income and prepayments		71'253	54'770	30.1
<b>Total assets</b>		<b>15'956'054</b>	<b>14'684'786</b>	<b>8.7</b>

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Balance sheet

in CHF thousands	Note	31.12.2021	31.12.2020	+ / - %
<b>Liabilities</b>				
Due to banks		2'397'715	1'158'182	107.0
due on a daily basis		450'715	239'629	88.1
with agreed maturities or periods of notice		1'947'000	918'552	112.0
Due to customers		10'882'395	10'877'471	0.0
savings deposits		2'058'609	2'036'936	1.1
other liabilities		8'823'786	8'840'536	- 0.2
due on a daily basis		8'307'087	8'436'779	- 1.5
with agreed maturities or periods of notice		516'699	403'757	28.0
Certified liabilities		482'716	500'200	- 3.5
medium-term notes		82'716	100'200	- 17.4
Bonds issued	9	400'000	400'000	0.0
Other liabilities	7	323'600	307'737	5.2
Accrued expenses and deferred income		52'650	43'115	22.1
Provisions		14'250	6'522	118.5
tax provisions	10	8'143	2'853	185.4
other provisions	10	6'107	3'669	66.5
Provisions for general banking risks	10	310'000	310'000	0.0
Share capital	11	154'000	154'000	0.0
Share premium		47'750	47'750	0.0
Retained earnings		1'207'080	1'198'080	0.8
legal reserves		390'550	390'550	0.0
reserves for own shares		12'252	15'142	- 19.1
other reserves		804'277	792'388	1.5
Balance brought forward		5'491	4'346	26.3
Profit for the year		78'408	77'382	1.3
<b>Total liabilities</b>		<b>15'956'054</b>	<b>14'684'786</b>	<b>8.7</b>

## Off-balance sheet transactions

in CHF thousands	Note	31.12.2021	31.12.2020	+ / - %
Contingent liabilities	1 / 19	35'507	37'787	- 6.0
Credit risks		306'153	325'652	- 6.0
irrevocable commitments	1	302'625	320'726	- 5.6
call liabilities	1	3'529	4'926	- 28.4
Derivative financial instruments	20	30'512'441	24'319'919	25.5
Fiduciary transactions	21	61'600	204'418	- 69.9

# Income statement

in CHF thousands	Note	2021	2020	+ / - %
Interest income		73'612	90'197	- 18.4
of which from fixed-interest securities		16'134	18'779	- 14.1
of which from trading transactions		- 0	2	
Interest expenses		19'123	2'342	716.7
<b>Net interest income</b>		<b>92'736</b>	<b>92'538</b>	<b>0.2</b>
Shares and other non-fixed-interest securities		2'710	1'544	75.5
of which from trading transactions		2'710	1'544	75.5
Participations and associated companies		15'000	30'000	- 50.0
<b>Income from securities</b>		<b>17'710</b>	<b>31'544</b>	<b>- 43.9</b>
Credit-related commissions and fees		353	349	1.3
Commissions from securities and investment business		126'762	108'749	16.6
Other commission and fee income		17'966	17'493	2.7
Commission and fee expenses		- 49'667	- 47'200	5.2
<b>Net commission and fee income</b>		<b>95'414</b>	<b>79'390</b>	<b>20.2</b>
<b>Income from financial transactions</b>		<b>33'697</b>	<b>35'576</b>	<b>- 5.3</b>
of which from trading business	22	44'907	43'825	2.5
Income from real estate holdings		859	860	- 0.1
Sundry ordinary income		30'607	34'442	- 11.1
<b>Other ordinary income</b>		<b>31'466</b>	<b>35'302</b>	<b>- 10.9</b>
<b>Total operating income</b>		<b>271'023</b>	<b>274'351</b>	<b>- 1.2</b>
Personnel expenses	23	- 111'966	- 104'926	6.7
Administrative expenses	24	- 48'412	- 53'864	- 10.1
<b>Total operating expenses</b>		<b>- 160'377</b>	<b>- 158'790</b>	<b>1.0</b>
<b>Gross operating profit</b>		<b>110'646</b>	<b>115'561</b>	<b>- 4.3</b>
Depreciation on intangible assets and fixed assets		- 17'339	- 22'931	- 24.4
Sundry ordinary expenses	25	- 1'399	- 2'301	- 39.2
Allowances on claims and allocations to provisions for contingent liabilities and lending risks	10	- 4'205	- 12'400	- 66.1
Earnings from the release of allowances on claims and of provisions for contingent liabilities and lending risks	10	1'464	3'199	- 54.2
Write-downs to participations, shares in associated companies and securities treated as long-term investments		- 0	- 3	- 97.2
<b>Result from normal business operations</b>		<b>89'166</b>	<b>81'126</b>	<b>9.9</b>
Income taxes		- 10'525	- 3'500	200.7
Other taxes		- 234	- 243	- 3.7
<b>Profit for the year<sup>1</sup></b>		<b>78'408</b>	<b>77'382</b>	<b>1.3</b>

1 The return on capital (annual profit in relation to balance sheet total) amounted to 0.49 per cent as at 31 December 2021 and to 0.53 per cent as at 31 December 2020 (pursuant to the Banking Ordinance, Art. 24e, Para. 1, Point 6).

# Distribution of balance sheet profit

The Board of Directors proposes to the General Meeting of Shareholders on 6 May 2022 that the balance sheet profit as at 31 December 2021 be distributed as follows:

in CHF thousands	2021	2020
Profit for the year	78'408	77'382
Balance brought forward	5'491	4'346
Balance sheet profit	83'899	81'729
<b>Distribution of balance sheet profit</b>		
Allocation to other reserves	8'000	9'000
Allocation to corporate capital (common stock) <sup>1</sup>	70'304	67'237
Balance carried forward *	5'595	5'491

1 Shares eligible for dividends are all shares outstanding except for own shares as of record date. The amounts presented are based on the numbers of shares eligible for dividends as at 31 December 2021.

If this proposal is accepted, a dividend of CHF 2.30 per registered share will be paid out on 12 May 2022.

# Notes on business operations

Liechtensteinische Landesbank Aktiengesellschaft with its registered office in Vaduz and two domestic branch offices is active as a full-service (universal) bank. LLB AG is one of the three largest banks in Liechtenstein and has subsidiaries in Liechtenstein, Austria and Switzerland, as well as a branch in Dubai and representative offices in Zurich, Geneva and Abu Dhabi. Adjusted for full-time equivalents, 618 people were employed as of 31 December 2021 (previous year: 589). The average headcount in 2021 amounted to 607 persons (previous year: 591) on a full-time equivalent basis.

As a universal bank, LLB AG is engaged in the commission and fees business, credit and lending business, money market and interbank business, as well as securities trading business.

## Commissions and fees business

The major proportion of revenues from commissions and fees business is attributable to commissions earned in connection with securities trading for customers. Other important income streams are provided by securities safe custody business, asset management (incl. investment funds) and brokering fiduciary investments.

## Credit and lending business

The largest proportion of loans comprises mortgages, Lombard loans and advances to public institutions. Mortgages are granted to finance properties in Liechtenstein and in the neighbouring areas of Switzerland. Real estate financing for the rest of Switzerland and Lombard loans are granted within the scope of the integrated asset management business. A major proportion of loans and advances to public authorities relates to credit facilities extended to cantons and municipalities in Switzerland. As regards international syndicated loans, the bank is active to only a very limited extent in this line of business.

## Money market and interbank business

Domestic and international funds deposited with the bank, which in as far as they are not invested in lending business or held as liquid funds, are placed with first-class banks, predominantly in Switzerland and Western Europe.

## Securities trading business

The bank offers its clients a full range of services in connection with the execution and settlement of securities trading transactions. It trades for its own account only to a moderate extent. Transactions with derivative financial instruments for the bank's own account are largely employed for hedging purposes.



# Accounting policies and valuation principles

## Basic principles

The accounting and valuation policies are drawn up in accordance with the provisions of the Liechtenstein Person and Company Law (PGR), as well as the Liechtenstein Banking Law and the accompanying Banking Ordinance.

## Recording of business

All completed business transactions are valued and recorded in the balance sheet and the profit and loss account according to the specified valuation principles. The transactions are booked on the transaction date. Up to their date of settlement or the value date, futures transactions are recorded at their replacement value under other assets or other liabilities.

## Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated at the foreign exchange middle rate prevailing on the balance sheet date. Bank note holdings for exchange business are translated at the bank note bid rate in effect on the balance sheet date. Exchange gains and losses arising from the valuation are booked to the profit and loss account. The following exchange rates were employed for foreign currency conversion:

Reporting date rate	31.12.2021	31.12.2020
1 USD	0.9121	0.8803
1 EUR	1.0331	1.0802

Average rate	2021	2020
1 USD	0.9115	0.9373
1 EUR	1.0799	1.0720

## Liquid funds, public authority debt instruments and bills approved for refinancing by central banks, balances due from banks and customers, liabilities

These items are shown in the balance sheet at nominal value minus any unearned discount on money market instruments.

Impaired due amounts, i.e. amounts due from debtors who probably will not repay them, are valued on an individual basis and their impairment is covered by specific allowances. Off-balance sheet transactions, such as commitments for loans, guarantees and derivative financial instruments, are also included in this valuation. Loans are regarded as overdue at the latest when interest and / or principal repayments are more than 90 days in arrears. Overdue and impaired interest payments are charged directly to allowances and provisions. Loans are put on a non-accrual basis if the interest due on them is deemed to be uncollectible and interest accrual is therefore no longer practical.

The impairment is measured on the basis of the difference between the book value of the claim and the probable recoverable amount taking into consideration counterparty risk and the net proceeds from the realisation of any collateral. If it is expected that the realisation process will take longer than one year, the estimated realisation proceeds are discounted on the balance sheet date. The specific allowances are deducted directly from the corresponding asset positions. A claim is reclassified as no longer endangered if the outstanding principal and interest are again repaid on time in accordance with the original contractual terms. To cover the risks in retail business, which are composed of numerous small

claims, lump-sum individual allowances, calculated on the basis of empirical values, are made for the unsecured loans and overdrawn limits for which individual allowances have not already been considered.

### **Debt instruments and other fixed-interest securities, equities and other non-fixed-interest securities as well as precious metals holdings**

Trading portfolios of securities and precious metals are valued at the market value on the balance sheet date. LLB AG does not hold any precious metal positions in its trading portfolio, since the existing positions are used to cover obligations arising from precious metal accounts. Securities for which there is no regular, active market are carried at the lower of cost or market value. Holdings of securities and precious metals as current assets are valued at the lower of cost or market value. Interest earnings are credited to the item interest income, dividend income is carried under the item income from securities. Price gains are shown under the item income from financial transactions.

Fixed-interest securities that are intended to be held until final maturity are valued according to the accrual method. Accordingly, interest income, including amortisation of premiums and accretion of discounts, is recognised on an accrual basis until final maturity. Interest-related realised capital gains or losses arising from the premature sale or redemption of securities are recognised on an accrual basis over the remaining period to maturity, i.e. up to the original date of final maturity. Interest earnings are credited to the item interest income. Equities held as fixed assets are valued at the lower of cost or market value. Precious metals holdings as fixed assets are measured at fair value. Dividend income is carried under the item income from securities. Allowances are shown under the items write-downs to participations, shares in associated companies and securities treated as long-term investments and earnings from write-ups to participations, shares in associated companies and securities treated as long-term investments, respectively.

### **Participations**

Participations comprises shares owned by LLB AG in companies which represent a minority participation and which are held as long-term investments. These items are valued at cost minus necessary allowances.

### **Shares in associated companies**

LLB AG's existing majority participations are recorded as shares in associated companies. These items are valued at cost minus necessary allowances.

### **Intangible assets**

Software development costs are capitalised when they meet certain criteria relating to identifiability, it is probable that economic benefits will flow to the company from them, and the costs can be measured reliably. Internally developed software meeting these criteria and purchased software are capitalised and subsequently amortised over three to ten years.

Low-cost acquisitions are charged directly to administrative expenses.

### **Tangible fixed assets**

Real estate is valued at the acquisition cost plus any investment that increases the value of the property, less necessary depreciation. New buildings and refurbishments are depreciated over 33 years and building supplementary costs over 10 years. No depreciation is charged on undeveloped land unless an adjustment has to be made to allow for a reduction in its market value. Other physical assets include fixtures, furniture, machinery and IT equipment. They are capitalised and depreciated in full over their estimated economic life (3 to 6 years).

Low-cost acquisitions are charged directly to administrative expenses.

### **Treasury shares**

Own shares (treasury shares) held by the Liechtensteinische Landesbank AG are recognised at market values up to the acquisition costs and are reported as treasury shares. The difference between the

market value of treasury shares and the acquisition costs is reported in the income statement under income from financial transactions.

### **Allowances and provisions**

In accordance with prudent accounting practice, specific allowances and provisions as well as general allowances are made for all risks existing on the balance sheet date. Allowances are offset directly with the corresponding asset position. Provisions are booked as such in the balance sheet.

### **Taxes**

Accruals for taxes payable on the basis of the profits earned in the period under report are charged as expenses in the corresponding period. Provisions for deferred tax are formed in relation to allowances and provisions recognised only for tax purposes. The calculation is made on the basis of the estimated tax rates used for actual taxation.

### **Provisions for general banking risks**

Provisions for general banking risks are precautionary reserves formed to hedge against latent risks in the bank's operating activities.

### **Derivative financial instruments**

The gross replacement values of individual contracts in derivative financial instruments – positive and negative replacement values are not offset against each other – are stated in the balance sheet (under other assets or other liabilities) and in the notes to the financial statement. All replacement values for contracts concluded for the bank's own account are reported. In contrast, in the case of customer transactions only the replacement values for OTC contracts are reported, or for exchange-traded products if margin requirements are inadequate. The contract volumes are reported in the statement of off-balance sheet transactions and in the notes. Trading positions in financial derivatives are valued at market rates provided the contracts are listed on an exchange or a regular, active market exists. If this is not the case, the contracts are valued at the lower of cost or market value. If interest business positions are hedged with derivatives, the differential amount between the market value and the accrual method is recognised in the settlement account.

### **Off-balance sheet transactions**

Off-balance sheet transactions are valued at nominal values. Provisions are made in the case of identifiable risks arising from contingent liabilities and other off-balance sheet transactions.

### **Statement of cash flows**

On account of its obligation to prepare a consolidated financial statement, LLB AG is exempted from the necessity to provide a statement of cash flow. The consolidated statement of cash flow of the LLB Group is a part of the consolidated financial statement.

# Notes to the balance sheet

## 1 Type of collateral a Types of cover

in CHF thousands	Type of collateral			Total	
	Secured by mortgage	Other collateral	Unsecured		
<b>Loans</b>					
Loans (excluding mortgage loans)	14'241	779'720	429'071	1'223'032	
Mortgage loans					
residential property	4'458'890	14'797	26'588	4'500'274	
office and business property	879'558	685	2'776	883'019	
commercial and industrial property	207'106	0	0	207'106	
other	237'814	50	27	237'891	
<b>Total loans</b>	<b>31.12.2021</b>	<b>5'797'609</b>	<b>795'252</b>	<b>458'461</b>	<b>7'051'322</b>
	31.12.2020	5'533'621	795'208	484'094	6'812'923
<b>Off-balance sheet transactions</b>					
Contingent liabilities	1'344	30'435	3'728	35'507	
Irrevocable commitments	135'196	17'014	150'414	302'625	
Call liabilities	0	0	3'529	3'529	
<b>Total off-balance sheet transactions</b>	<b>31.12.2021</b>	<b>136'540</b>	<b>47'449</b>	<b>157'670</b>	<b>341'660</b>
	31.12.2020	147'047	69'973	146'418	363'438

## b Claims at risk

in CHF thousands	Gross outstanding amount	Estimated proceeds from realisation of collateral	Net outstanding amount	Specific allowances
<b>31.12.2021</b>	<b>67'059</b>	<b>30'190</b>	<b>30'190</b>	<b>36'869</b>
31.12.2020	64'923	32'137	32'137	32'786

## 2 Securities and precious metals holdings a Securities and precious metals trading positions

in CHF thousands	Book value		Cost		Market value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Equities	3	12	60	69	3	12
<b>Total</b>	<b>3</b>	<b>12</b>	<b>60</b>	<b>69</b>	<b>3</b>	<b>12</b>
of which eligible securities	0	0	0	0	0	0

## b Securities and precious metals holdings as current assets (excluding trading positions)

in CHF thousands	Book value		Cost		Market value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Debt securities	1'646'266	1'576'280	1'661'049	1'584'887	1'667'666	1'617'614
of which own bonds and medium-term notes	0	0	0	0	0	0
Equities	12'295	15'163	15'146	18'720	12'323	15'192
of which qualified participations	0	0	0	0	0	0
<b>Total</b>	<b>1'658'562</b>	<b>1'591'443</b>	<b>1'676'195</b>	<b>1'603'606</b>	<b>1'679'989</b>	<b>1'632'806</b>
of which eligible securities	683'045	653'672	699'675	661'411	696'347	664'555

### c Securities and precious metals as fixed assets

in CHF thousands	Book value		Cost		Market value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Equities	220'951	62'358	228'631	69'135	258'555	70'297
of which qualified participations	22'731	8'771	27'359	13'337	27'969	12'064
Precious metals	13'972	15'014	13'972	15'014	13'972	15'014
<b>Total</b>	<b>234'923</b>	<b>77'373</b>	<b>242'603</b>	<b>84'150</b>	<b>272'527</b>	<b>85'312</b>
of which eligible securities	0	0	0	0	0	0

### 3 Participations and shares in associated companies

in CHF thousands	31.12.2021	31.12.2020
<b>Participations</b>		
Without market value	25	26
<b>Total participations</b>	<b>25</b>	<b>26</b>
<b>Shares in associated companies</b>		
Without market value	500'864	437'482
<b>Total shares in associated companies</b>	<b>500'864</b>	<b>437'482</b>

### 4 Statement of fixed assets

in CHF thousands	Cost	Accumulated depreciation	Book value 31.12.2020	Investments	Dis-investments	Reclassifications	Additions	Depreciation	Book value 31.12.2021
<b>Total participations (non-controlling interests)</b>	37	- 11	26	0	0	0	0	- 0	25
<b>Total shares in associated companies</b>	473'851	- 36'369	437'482	63'382	0	0	0	0	500'864
<b>Total securities and precious metals as fixed assets</b>	187'917	- 110'544	77'373	359'329	- 201'780	0	0	0	234'923
<b>Total intangible assets<sup>1</sup></b>	126'834	- 82'983	43'851	11'373	0	0	0	- 8'698	46'526
Real estate									
bank premises	151'946	- 105'486	46'460	1'931	0	0	0	- 2'968	45'423
other properties	17'128	- 2'128	15'000	0	0	0	0	0	15'000
Other fixed assets	56'265	- 39'993	16'272	5'493	- 1	0	0	- 5'672	16'092
<b>Total fixed assets</b>	<b>225'339</b>	<b>- 147'606</b>	<b>77'732</b>	<b>7'424</b>	<b>- 1</b>	<b>0</b>	<b>0</b>	<b>- 8'641</b>	<b>76'515</b>
Fire insurance value of real estate			172'646						172'646
Fire insurance value of other fixed assets			27'031						36'235
Liabilities: future leasing installments from operational leasing			33						21
Intended for resale									
Properties			1'750						1'750
Participations			0						0
(not included in the statement of fixed assets)									

1 Solely licences and software

Depreciation is carried out according to prudent business criteria over the estimated service life. No undisclosed reserves exist.

## 5 Substantial participations and shares in associated companies

Company name and registered office	Business activity	Currency	Share capital	% share of votes	% share of capital
<b>Participations</b>					
Data Info Services AG, Vaduz	Service company	CHF	50'000	50.0	50.0
<b>Shares in associated companies</b>					
Liechtensteinische Landesbank (Österreich) AG, Vienna	Bank	EUR	5'000'000	100.0	100.0
LLB Asset Management AG, Vaduz	Asset management	CHF	1'000'000	100.0	100.0
LLB Fund Services AG, Vaduz	Fund management company	CHF	2'000'000	100.0	100.0
LLB Swiss Investment AG, Zurich	Fund management company	CHF	8'000'000	100.0	100.0
LLB Holding AG, Uznach	Holding company	CHF	95'328'000	100.0	100.0
Zukunftsstiftung der Liechtensteinischen Landesbank AG, Vaduz	Charitable foundation	CHF	30'000	100.0	100.0

## 6 Own shares included in current assets (excluding trading positions)

Quantity / in CHF thousands	Quantity		Book value	
	2021	2020	2021	2020
As at 1 January	288'410	364'295	15'142	22'647
Bought	0	0	0	0
Sold	- 55'475	- 75'885	- 2'853	- 4'914
Additions / (Impairments)	0	0	- 36	- 2'592
<b>As at 31 December</b>	<b>232'935</b>	<b>288'410</b>	<b>12'252</b>	<b>15'142</b>

For information according to PGR Art. 1096 Para. 4 No. 4, please refer to [note 29 "Treasury shares"](#) in the LLB Group's consolidated financial statement.

## 7 Other assets and liabilities

in CHF thousands	31.12.2021	31.12.2020	+ / - %
Precious metals holdings	13'972	15'014	- 6.9
Tax prepayments / Withholding tax	1'581	1'205	31.2
Positive replacement values <sup>1</sup>	245'180	217'466	12.7
Settlement account	24'519	39'265	- 37.6
Clearing accounts	2'796	1'846	51.4
Taken-over real estate	1'750	1'750	0.0
Deferred tax claim	3'620	3'854	- 6.1
<b>Total other assets</b>	<b>293'419</b>	<b>280'400</b>	<b>4.6</b>
Charge accounts	6'671	5'015	33.0
Negative replacement values <sup>1</sup>	263'564	252'046	4.6
Accounts payable	9'537	16'948	- 43.7
Settlement account	22'252	13'634	63.2
Clearing accounts	21'576	20'096	7.4
<b>Total other liabilities</b>	<b>323'600</b>	<b>307'737</b>	<b>5.2</b>

1 Replacement values are shown gross.

## 8 Due from and due to associated companies and related parties a Due from and due to participations and associated companies

in CHF thousands	31.12.2021	31.12.2020	+ / - %
Due from participations	0	0	
Due to participations	0	0	
Due from associated companies	1'560'585	1'448'243	7.8
Due to associated companies	1'201'242	927'292	29.5

## b Due from and due to qualified participations and companies associated with the Principality of Liechtenstein

in CHF thousands	31.12.2021	31.12.2020	+ / - %
Due from the Principality of Liechtenstein	1'598	1'824	- 12.4
Due to the Principality of Liechtenstein	208'515	474'802	- 56.1
Due from companies associated with the Principality of Liechtenstein <sup>1</sup>	50'466	54'023	- 6.6
Due to companies associated with the Principality of Liechtenstein <sup>1</sup>	185'886	206'285	- 9.9

1 Associated companies: Liechtensteinische Kraftwerke, Liechtensteinische Gasversorgung, Telecom Liechtenstein AG, Liechtensteinische Post AG, Verkehrsbetrieb LIECHTENSTEINmobil and AHV-IV-FAK-Anstalt.

The stated due from and due to are included in the balance sheet in the items loans and due to customers.

## c Loans to corporate bodies

in CHF thousands	31.12.2021	31.12.2020	+ / - %
Members of the Board of Directors	669	668	0.1
Members of the Board of Management	1'561	4'560	- 65.8

## d Related party transactions

Transactions (e.g. securities transactions, payment transfers, lending facilities and interest on deposits) were made with related parties under the same terms and conditions as applicable to third parties.

## 9 Bonds issued

Year issued	Name	Currency	Maturity	Nominal interest rate in %	in CHF thousands		
					Nominal value	2021	2020
2019	Liechtensteinische Landesbank AG 0.000 % Senior Preferred Anleihe 2019 – 2029	CHF	27.09.2029	0.000 %	100'000	100'000	100'000
2019	Liechtensteinische Landesbank AG 0.125 % Senior Preferred Anleihe 2019 – 2026	CHF	28.05.2026	0.125 %	150'000	150'000	150'000
2020	Liechtensteinische Landesbank AG 0.300 % Senior Preferred Anleihe 2020 – 2030	CHF	24.09.2030	0.300 %	150'000	150'000	150'000

## 10 Allowances and provisions / provisions for general banking risks

in CHF thousands	Total 31.12.2020	Specific allowances	Recoveries, overdue interest, currency differences	New provisions charged to income statement	Provisions re- leased to in- come state- ment	Total 31.12.2021
<b>Allowances for loan default risks</b>						
Specific allowances	32'786	- 45	1'058	3'544	- 473	36'869
Lump-sum individual allowances (incl. those for country risks)	0	0	0	0	0	0
Provisions for contingent liabilities and credit risks	547	0	0	661	- 990	217
Provisions for other business risks	972	- 440	0	2'567	- 10	3'090
Provisions for taxes and deferred taxes	2'853	- 5'235	0	12'167	- 1'642	8'143
Other provisions	2'150	0	0	650	0	2'800
<b>Total allowances and provisions</b>	<b>39'307</b>	<b>- 5'719</b>	<b>1'058</b>	<b>19'589</b>	<b>- 3'116</b>	<b>51'119</b>
Minus allowances	- 32'786					- 36'869
<b>Total provisions according to balance sheet</b>	<b>6'522</b>					<b>14'250</b>
<b>Provisions for general banking risks</b>	<b>310'000</b>					<b>310'000</b>

## 11 Share capital, significant shareholders and groups of shareholders linked by voting rights

in CHF thousands	31.12.2021			31.12.2020		
	Total nominal value	Quantity	Capital ranking for dividend	Total nominal value	Quantity	Capital ranking for dividend
Share capital	154'000	30'800'000	152'835	154'000	30'800'000	152'558
<b>Total common stock</b>	<b>154'000</b>	<b>30'800'000</b>	<b>152'835</b>	<b>154'000</b>	<b>30'800'000</b>	<b>152'558</b>

No conditional or authorised capital exists.

in CHF thousands	31.12.2021		31.12.2020	
	Nominal	Holding in %	Nominal	Holding in %
With voting right: Principality of Liechtenstein	88'500	57.5	88'500	57.5
With voting right: shareholder group Haselsteiner Familien-Privatstiftung and grosso Holding Gesellschaft mbH	9'025	5.9	9'025	5.9



## 12 Statement of shareholders' equity

in CHF thousands	2021
Share capital	154'000
Share premium	47'750
Legal reserves	390'550
Reserve for own shares	15'142
Other reserves	792'388
Provisions for general banking risks	310'000
Balance sheet profit	81'729
<b>Total shareholders' equity as at 1 January (before profit distribution)</b>	<b>1'791'558</b>
Dividend and other distributions from previous year's profit	- 67'237
Net profit for the year	78'408
Allocation to provisions for general banking risks	0
<b>Total shareholders' equity as at 31 December (before profit distribution)</b>	<b>1'802'729</b>
Of which:	
Share capital	154'000
Share premium	47'750
Legal reserves	390'550
Reserve for own shares	12'252
Other reserves	804'277
Provisions for general banking risks	310'000
Balance sheet profit	83'899

## 13 Liabilities due to own pension funds

in CHF thousands	31.12.2021	31.12.2020	+ / - %
Current account, call money and time deposits	20'588	10'934	88.3
Savings deposits	42	42	0.0
<b>Total</b>	<b>20'631</b>	<b>10'976</b>	<b>88.0</b>

## 14 Breakdown of assets and liabilities by location

in CHF thousands	31.12.2021		31.12.2020	
	FL/CH	Abroad	FL/CH	Abroad
<b>Assets</b>				
Cash and balances with central banks	3'895'515	0	3'535'790	0
Due from banks	1'988'882	152'218	1'556'714	231'285
Loans (excluding mortgages)	762'942	460'089	858'960	407'594
Mortgage loans	5'828'290	0	5'546'370	0
Bonds and other fixed-interest securities	288'901	1'357'365	273'557	1'302'723
Shares and other non-fixed-interest securities	215'071	5'926	61'995	397
Participations	25	0	26	0
Shares in associated companies	131'405	369'459	131'405	306'077
Intangible assets	46'526	0	43'851	0
Fixed assets	76'515	0	77'732	0
Own shares	12'252	0	15'142	0
Other assets	166'453	126'966	123'608	156'792
Accrued income and prepayments	40'978	30'275	27'972	26'797
<b>Total assets</b>	<b>13'453'756</b>	<b>2'502'298</b>	<b>12'253'122</b>	<b>2'431'664</b>
<b>Liabilities</b>				
Due to banks	953'361	1'444'353	298'573	859'609
Due to customers (excluding savings deposits)	6'073'441	2'750'345	6'160'176	2'680'359
Savings deposits	1'714'702	343'907	1'703'895	333'041
Certified liabilities	482'716	0	500'200	0
Other liabilities	188'783	134'817	192'151	115'586
Accrued expenses and deferred income	25'065	27'585	14'527	28'589
Provisions	14'250	0	6'522	0
Provisions for general banking risks	310'000	0	310'000	0
Share capital	154'000	0	154'000	0
Share premium	47'750	0	47'750	0
Legal reserves	390'550	0	390'550	0
Reserves for own shares	12'252	0	15'142	0
Other reserves	804'277	0	792'388	0
Profit carried forward	5'491	0	4'346	0
Profit for the year	78'408	0	77'382	0
<b>Total liabilities</b>	<b>11'255'047</b>	<b>4'701'007</b>	<b>10'667'602</b>	<b>4'017'184</b>

## 15 Geographical breakdown of assets by location

	31.12.2021		31.12.2020	
	Absolute value	% of total	Absolute value	% of total
Liechtenstein/Switzerland	13'453'756	84.3	12'253'122	83.4
Europe (excluding Liechtenstein/Switzerland)	1'537'730	9.6	1'460'430	9.9
North America	412'561	2.6	449'793	3.1
South America	15'668	0.1	14'600	0.1
Africa	13'409	0.1	10'361	0.1
Asia	304'695	1.9	287'688	2.0
Others	218'234	1.4	208'792	1.4
<b>Total assets</b>	<b>15'956'054</b>	<b>100.0</b>	<b>14'684'786</b>	<b>100.0</b>

## 16 Breakdown of assets and liabilities by currency

in CHF thousands	CHF	EUR	USD	Others	Total
<b>Assets</b>					
Cash and balances with central banks	3'886'126	8'999	333	56	3'895'515
Due from banks	1'775'844	133'073	39'590	192'593	2'141'100
Loans (excluding mortgages)	592'109	255'414	295'328	80'180	1'223'032
Mortgage loans	5'826'035	1'343	912	0	5'828'290
Bonds and other fixed-interest securities	415'251	583'630	647'386	0	1'646'266
Shares and other non-fixed-interest securities	209'576	4'212	7'209	0	220'997
Participations	25	0	0	0	25
Shares in associated companies	500'864	0	0	0	500'864
Intangible assets	46'526	0	0	0	46'526
Fixed assets	76'515	0	0	0	76'515
Own shares	12'252	0	0	0	12'252
Other assets	282'628	2'999	5'177	2'614	293'419
Accrued income and prepayments	34'900	13'893	21'484	975	71'253
<b>Total on-balance sheet assets</b>	<b>13'658'652</b>	<b>1'003'564</b>	<b>1'017'419</b>	<b>276'419</b>	<b>15'956'054</b>
Delivery claims from forex spot, forex futures and forex options transactions	5'748'206	8'444'468	8'762'814	2'639'650	25'595'138
<b>Total assets</b>	<b>19'406'858</b>	<b>9'448'032</b>	<b>9'780'233</b>	<b>2'916'069</b>	<b>41'551'192</b>
<b>Liabilities</b>					
Due to banks	2'197'564	88'566	56'330	55'254	2'397'715
Due to customers (excluding savings deposits)	4'577'684	1'767'692	1'913'903	564'507	8'823'786
Savings deposits	2'055'270	3'339	0	-0	2'058'609
Certified liabilities	482'716	0	0	0	482'716
Other liabilities	309'465	6'407	5'096	2'631	323'600
Accrued expenses and deferred income	21'022	12'390	17'711	1'527	52'650
Provisions	14'250	0	0	0	14'250
Provisions for general banking risks	310'000	0	0	0	310'000
Share capital	154'000	0	0	0	154'000
Share premium	47'750	0	0	0	47'750
Legal reserves	390'550	0	0	0	390'550
Reserves for own shares	12'252	0	0	0	12'252
Other reserves	804'277	0	0	0	804'277
Profit carried forward	5'491	0	0	0	5'491
Profit for the year	78'408	0	0	0	78'408
<b>Total on-balance sheet liabilities</b>	<b>11'460'700</b>	<b>1'878'394</b>	<b>1'993'041</b>	<b>623'920</b>	<b>15'956'054</b>
Delivery liabilities from forex spot, forex futures and forex options transactions	7'960'155	7'564'342	7'777'732	2'306'459	25'608'688
<b>Total liabilities</b>	<b>19'420'855</b>	<b>9'442'736</b>	<b>9'770'773</b>	<b>2'930'379</b>	<b>41'564'742</b>
<b>Net position per currency</b>	<b>- 13'997</b>	<b>5'296</b>	<b>9'460</b>	<b>- 14'310</b>	<b>- 13'550</b>

## 17 Pledged or assigned assets and assets subject to reservation of ownership

in CHF thousands	31.12.2021	31.12.2020
<b>Excluding lending transactions and pension transactions with securities</b>		
Book value of pledged and assigned (as collateral) assets	219'911	246'385
Actual commitments	0	0
<b>Lending transactions and pension transactions with securities</b>		
Self-owned securities lent or delivered as collateral within the scope of securities lending or borrowing transactions, or self-owned securities transferred in connection with repurchase agreements	600'623	228'242
of which capable of being resold or further pledged without restrictions	600'623	228'242
Securities received as collateral within the scope of securities lending or securities received in connection with reverse repurchase agreements, which are capable of being resold or further pledged without restrictions	0	0
of which resold or further pledged securities	0	0

## 18 Maturity structure of assets, liabilities and provisions

in CHF thousands		Sight deposits	Callable	Due within 3 months	Due between 3 months to 12 months	Due between 12 months to 5 years	Due after 5 years	Immo-bilised	Total
<b>Assets</b>									
Cash and balances with central banks		3'895'515	0	0	0	0	0	0	3'895'515
Due from banks		378'234	0	1'255'052	83'612	152'621	271'581	0	2'141'100
Loans		10'619	353'268	3'208'516	585'633	1'870'789	1'022'497	0	7'051'322
of which mortgage loans		6'722	45'021	2'520'050	514'264	1'734'136	1'008'096	0	5'828'290
Securities and precious metals held for trading		3	0	0	0	0	0	0	3
Securities and precious metals holdings as current assets (excluding trading positions)		1'658'562	0	0	0	0	0	0	1'658'562
Securities and precious metals holdings as fixed assets		13'972	220'951	0	0	0	0	0	234'923
Other assets		616'712	0	167'467	73'774	18'277	20'134	78'265	974'629
<b>Total assets</b>	<b>31.12.2021</b>	<b>6'573'617</b>	<b>574'219</b>	<b>4'631'035</b>	<b>743'019</b>	<b>2'041'687</b>	<b>1'314'212</b>	<b>78'265</b>	<b>15'956'054</b>
	31.12.2020	6'115'200	591'825	3'385'027	1'074'634	1'989'586	1'449'032	79'482	14'684'786
<b>Liabilities and provisions</b>									
Due to banks		450'715	0	1'947'000	0	0	0	0	2'397'715
Due to customers		8'186'804	2'139'782	432'882	120'928	2'000	0	0	10'882'395
of which savings deposits		0	2'020'214	36'675	1'720	0	0	0	2'058'609
of which other liabilities		8'186'804	119'569	396'206	119'207	2'000	0	0	8'823'786
Certified liabilities		0	0	4'865	13'506	198'923	265'422	0	482'716
of which medium-term notes		0	0	4'865	13'506	48'923	15'422	0	82'716
of which bonds issued		0	0	0	0	150'000	250'000	0	400'000
Provisions (excluding provisions for general banking risks)		0	0	0	0	14'250	0	0	14'250
Other liabilities		88'443	0	175'452	71'676	19'107	21'571	0	376'250
<b>Total liabilities and provisions</b>	<b>31.12.2021</b>	<b>8'725'961</b>	<b>2'139'782</b>	<b>2'560'198</b>	<b>206'110</b>	<b>234'280</b>	<b>286'993</b>	<b>0</b>	<b>14'153'325</b>
	31.12.2020	8'649'267	2'290'763	1'133'422	279'108	102'893	437'774	0	12'893'228
Bonds and other fixed-interest securities that are due in the following financial year									280'081

# Notes to off-balance sheet transactions

## 19 Contingent liabilities

in CHF thousands	31.12.2021	31.12.2020	+ / - %
Credit guarantees and similar instruments	19'854	21'584	- 8.0
Performance guarantees and similar instruments	8'536	7'914	7.9
Other contingent liabilities	7'116	8'289	- 14.1
<b>Total contingent liabilities</b>	<b>35'507</b>	<b>37'787</b>	<b>- 6.0</b>

## 20 Open derivative contracts

in CHF thousands	Trading instruments			Hedging instruments			
	Positive replacement value	Negative replacement value	Contract volume	Positive replacement value	Negative replacement value	Contract volume	
<b>Interest rate instruments</b>							
Swaps	0	0	0	22'252	27'123	4'655'331	
Forward transactions	43	7	6'627	0	0	0	
<b>Foreign exchange contracts</b>							
Forward contracts	218'065	231'615	25'515'243	0	0	0	
Options (OTC)	2'377	2'377	74'362	0	0	0	
<b>Precious metals</b>							
Options (OTC)	131	131	5'534	0	0	0	
<b>Equity / Index contracts</b>							
Options (OTC)	2'312	2'312	255'345	0	0	0	
<b>Total excluding netting agreements</b>	<b>31.12.2021</b>	<b>222'928</b>	<b>236'441</b>	<b>25'857'110</b>	<b>22'252</b>	<b>27'123</b>	<b>4'655'331</b>
	31.12.2020	203'833	209'395	22'013'315	13'634	42'651	2'306'604

Liechtensteinische Landesbank AG has concluded no netting agreements.

## 21 Fiduciary transactions

in CHF thousands	31.12.2021	31.12.2020	+ / - %
Fiduciary deposits with other banks	58'425	202'772	- 71.2
Fiduciary loans and other fiduciary financial transactions	3'176	1'646	92.9
<b>Total fiduciary transactions</b>	<b>61'600</b>	<b>204'418</b>	<b>- 69.9</b>

# Notes to the income statement

## 22 Income from trading operations

in CHF thousands	2021	2020	+ / - %
Foreign exchange trading	43'607	41'437	5.2
Foreign note trading	- 454	- 86	430.3
Precious metals trading	1'743	2'464	- 29.3
Securities trading	10	9	14.3
<b>Total net trading income</b>	<b>44'907</b>	<b>43'825</b>	<b>2.5</b>

## 23 Personnel expenses

in CHF thousands	2021	2020	+ / - %
Salaries and compensations	- 88'567	- 84'145	5.3
Social benefits and retirement benefit plans	- 18'423	- 17'526	5.1
of which retirement benefit plans	- 12'453	- 12'016	3.6
Other personnel expenses	- 4'976	- 3'255	52.9
<b>Total</b>	<b>- 111'966</b>	<b>- 104'926</b>	<b>6.7</b>

The compensation of the Board of Directors and the Board of Management are disclosed in the [consolidated financial statement](#).

## 24 Administrative expenses

in CHF thousands	2021	2020	+ / - %
Occupancy expenses	- 3'976	- 3'329	19.4
Expenses for IT, machinery, vehicles and other equipment	- 18'019	- 24'923	- 27.7
Other business expenses	- 26'416	- 25'613	3.1
<b>Total</b>	<b>- 48'412</b>	<b>- 53'864</b>	<b>- 10.1</b>

## 25 Other ordinary expenses

in CHF thousands	2021	2020	+ / - %
Losses on receivables	- 62	0	
Operational risk	- 650	- 1'757	- 63.0
Sundry other ordinary expenses	- 688	- 543	26.5
<b>Total other ordinary expenses</b>	<b>- 1'399</b>	<b>- 2'301</b>	<b>- 39.2</b>

# Risk management

## Overview

LLB AG's risk policy is governed, in legal and operative terms, by the Liechtenstein Banking Law, the corresponding Banking Ordinance and the principles of the Basel Committee for Banking Supervision as well as by the bank's own statutes and business regulations. The ultimate responsibility for basic risk policy and for continually monitoring the bank's risk exposure lies with the Board of Directors. In fulfilling this function, it is supported by the Risk Committee. The Board of Management has overall responsibility for risk management. It is supported by separate expert risk committees. An independent Group Credit & Risk Management monitors compliance with the issued regulations.

## Market risks

On the basis of its business activity, LLB AG is exposed primarily to interest rate fluctuation, share price and currency risks. The Group Risk Management Committee is responsible for managing risks associated with trading activities, and the Asset & Liability Committee for controlling interest rate fluctuation risks. These bodies limit risk exposure using sensitivity and value-at-risk analyses. Aggregate risks are analysed and worst-case scenarios are simulated on a regular basis.

## Credit default risks

Credit and lending facilities are extended primarily in interbank business, in private and corporate client business mainly on a secured basis, and in business transactions with public authorities. The Group Credit Risk Committee is responsible for credit risk management. The bank pursues a conservative collateral lending policy. Credits and loans are granted within the scope of strict credit approval procedures. An internal rating system is employed to determine risk-related terms and conditions. A limits system based on the creditworthiness of the individual country is used to control country risks.

In order to ensure responsible lending and to take account of the increasing regulatory requirements, each property must be valued and the loan-to-value ratio determined. The internal directive "Real Estate Valuation" forms the basis for determining a market-conforming loan-to-value ratio for real estate in the Swiss and Liechtenstein markets of the LLB Group. The decisive factor for the valuation method and tool to be applied is always the predominant use or the predominant income measured by the rental value.

- ♦ Single-family houses and condominiums for own use are generally valued hedonically in Switzerland and by the tangible asset method in Liechtenstein.
- ♦ Rented single-family houses and condominiums that are held for yield purposes are generally valued at income value in Switzerland. In Liechtenstein, the valuation is carried out using the asset value method.
- ♦ Income-producing and investment properties in Switzerland, such as apartment buildings, residential and commercial buildings, commercial properties, etc., are valued using the capitalised earnings value method.
- ♦ In the case of commercially owner-occupied properties, the capitalised earnings value is decisive, which is determined and verified in advance on the basis of the space rent reported in the borrower's income statement.
- ♦ Agricultural properties in Switzerland are valued according to the "farming land law" calculation. In Liechtenstein, these are valued using the tangible asset method.
- ♦ Valuations of building land are based on current market conditions.

## Operational and legal risks

Internal regulations and directives concerning organisation and controls are employed to limit exposure to operative and legal risks. In formulating these instructions, the Board of Management is supported by the Operational Risk Committee. Compliance with these regulations is regularly checked by the Group Compliance and Group Operational Risk / ICS departments and by Group Internal Audit. External legal experts are brought in on a case-by-case basis to control and manage legal risks.

### **Liquidity risks**

Liquidity risks are monitored and managed in accordance with the provisions of banking law.

### **Business policy concerning the use of derivative financial instruments**

Within the scope of balance sheet management, interest rate swaps are concluded to hedge interest rate fluctuation risks. Furthermore, derivative financial instruments are employed primarily within the context of transactions for clients. Both standardised and OTC derivatives are traded for the account of clients.





Liechtensteinische Landesbank Aktiengesellschaft,  
Vaduz

**Statutory Auditor's Report**  
**on the Financial Statements**  
**to the General Meeting**  
**2021 Financial Statements**

KPMG (Liechtenstein) AG  
Vaduz, 24 February 2022



# Statutory Auditor's Report

To the General Meeting of Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Liechtensteinische Landesbank Aktiengesellschaft (Company), which comprise the balance sheet as at 31 December 2021, the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 250 to 271) give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance for the year then ended in accordance with Liechtenstein law.

### Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters



#### RECOVERABILITY OF LOANS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## RECOVERABILITY OF LOANS

### Key Audit Matter

As at 31 December 2021, the Bank reports loans of CHF 7.1 billion, representing 44.2 % of total assets.

Loans are valued at amortized cost, taking into account any allowances. Allowances for credit risks are determined by applying judgement and assumptions. This applies particularly to the creation of individual allowances for loans at risk of default.

Due to the existence of considerable scope for judgement in the method of calculating and measuring any need for allowances and the high amount of the balance sheet position, we consider the recoverability of loans to be a key audit matter.

### Our response

Our audit procedures included the verification of key controls relating to the approval, recording and monitoring of loans. In this regard, we performed effectiveness tests of key controls on a sample basis.

For a sample of loans with specific allowances, we assessed whether the allowances made by the bank were appropriate.

We also tested a sample of loans that were not identified by the bank as potentially impaired and assessed whether, taking into account respective collaterals, there was a need for allowance.

Finally, we verified the complete and correct disclosure of the information in the notes to the financial statements in connection with the loans.

For further information on loans, refer to the following pages in the notes to the financial statements:

- Pages 256 to 258: Accounting policies and valuation principles
- Page 259: Notes to the balance sheet

### Other matters

The financial statements of the Company for the year ended on 31 December 2020 were audited by another auditor whose report, dated 9 March 2021, expressed an unmodified opinion on those statements.

### Other Information

The Board of Directors is responsible for the other information in the Annual Report. The other information comprises that information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the consolidated management report, the stand-alone management report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements or, whether due to fraud design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and the Group Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Group Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors and the Group Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on Other Legal and Regulatory Requirements

### Further Information pursuant to Article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 7 May 2021. We have been the statutory auditor of the Company without interruption since the financial year ending on 31 December 2021.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Group Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

We have provided the following services, which were not disclosed in the financial statements or in the management report, in addition to the statutory audit for the audited company or for the companies controlled by it:

- Regulatory audit according to the applicable requirements
- Tax services in accordance with Article 46 WPG as well as regulatory and other consulting services

Further, we declare that no prohibited non-audit services pursuant to Article 5 para. 1 Regulation (EU) No 537/2014 were provided.

### Further Confirmations pursuant to Article 196 PGR

The management report (page 249) has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

We further confirm that the financial statements and the proposed appropriation of retained earnings comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying financial statements submitted to you be approved.

KPMG (Liechtenstein) AG

Moreno Halter  
Chartered Accountant  
Auditor in Charge

Philipp Rickert  
Chartered Accountant (CH)

Vaduz, 24 February 2022

KPMG (Liechtenstein) AG, Aeulestrasse 2, LI-9490 Vaduz

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