

Dual positioning

# One more perspective



# Content

	Review of operations
3	The LLB Group in profile
4	Information for shareholders
5	Key figures
6	Letter to shareholders
9	Retail & Corporate Banking
11	International Wealth Management
13	Corporate Center
	Consolidated interim financial statement of the LLB Group
15	Consolidated interim management report
19	Consolidated income statement
20	Consolidated statement of comprehensive income
21	Consolidated balance sheet
22	Consolidated statement of changes in equity
23	Consolidated statement of cash flows
25	Accounting principles
27	Segment reporting
29	Notes to the consolidated income statement
33	Notes to the consolidated balance sheet and off-balance sheet transactions

# The LLB Group in profile

With its ACT-26 strategy, the LLB Group focuses on a dual positioning in the market: number 1 in Liechtenstein and the region as well as a secure and sustainable, international private bank.

**First bank in Liechtenstein founded in 1861**

**Moody's Rating Aa2**

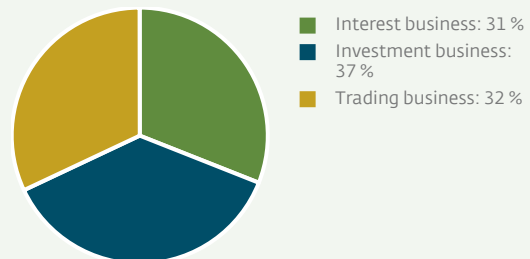
**Three banks:**  
Liechtenstein, Switzerland and Austria

**Two competence centres:**  
Asset Management and Fund Services

**Two high-earning market divisions**  
Operating profit before tax



**Diversified income structure**  
Earnings



**Strong in three home markets**

- ♦ Most important universal bank in Liechtenstein
- ♦ Leading asset management bank in Austria
- ♦ Largest regional bank in eastern Switzerland

**Outstanding investment competence**

- ♦ Over 50 awards since 2012
- ♦ Consistent adaptation of the product range to sustainability

# Information for shareholders

## The LLB share

Security number	35514757	
ISIN	LI0355147575	
Listing	SIX Swiss Exchange	
Ticker symbols	Bloomberg	LLBN SW
	Reuters	LLBN.S
	Telekurs	LLBN

## Capital structure

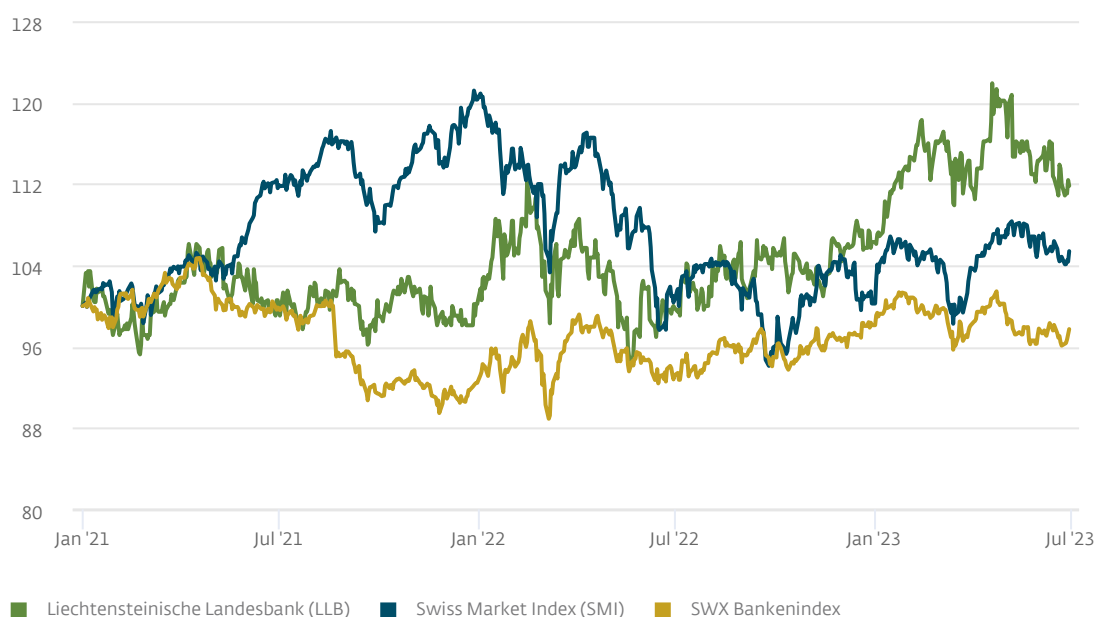
	30.06.2023	31.12.2022	+ / - %
Share capital (in CHF)	154'000'000	154'000'000	0.0
Total of registered shares issued (fully paid up)	30'800'000	30'800'000	0.0
Total shares outstanding, eligible for dividend	30'661'570	30'620'119	0.1
Weighted average shares outstanding	30'643'989	30'607'810	0.1

## Information per LLB share

	30.06.2023	31.12.2022	+ / - %
Nominal value (in CHF)	5.00	5.00	0.0
Share price (in CHF)	58.70	55.80	5.2

	30.06.2023	30.06.2022	+ / - %
Basic earnings per share (in CHF)	2.89	2.42	19.3
Price / earnings ratio	10.15	10.84	

## Comparison of LLB share Indexed from 1 January 2021



# Key figures

## Consolidated income statement

in CHF millions	First half 2023	First half 2022	+ / - %
<b>Income statement</b>			
Operating income	267.2	241.9	10.5
Operating expenses	- 164.3	- 154.5	6.3
Net profit	88.7	75.9	16.8
<b>Key performance indicators</b>			
Cost Income Ratio (in per cent) <sup>1</sup>	61.0	62.8	
Return on equity attributable to the shareholders of LLB (in per cent)	8.7	7.2	

<sup>1</sup> Definition under [www.llb.li/investors-apm](http://www.llb.li/investors-apm)

## Consolidated balance sheet

in CHF millions	30.06.2023	31.12.2022	+ / - %
<b>Balance sheet</b>			
Total equity	2'055	2'024	1.6
Total assets	25'250	25'216	0.1
<b>Capital ratio</b>			
Tier 1 ratio (in per cent) <sup>1</sup>	19.2	19.7	
Risk-weighted assets	8'819	8'512	3.6

<sup>1</sup> Corresponds to the CET ratio 1 because the LLB Group has solely hard core capital

## Additional information

in CHF millions	First half 2023	First half 2022	+ / - %
Net new money <sup>1</sup>	806	2'509	- 67.9

in CHF millions	30.06.2023	31.12.2022	+ / - %
Business volume (in CHF millions) <sup>1</sup>	102'295	98'362	4.0
Assets under management (in CHF millions) <sup>1</sup>	87'438	83'926	4.2
Loans (in CHF millions)	14'857	14'435	2.9
Employees (full-time equivalents, in positions)	1'168	1'116	4.6

<sup>1</sup> Definition under [www.llb.li/investors-apm](http://www.llb.li/investors-apm)



Georg Wohlwend (Chairman of the Board of Directors) and Gabriel Brenna (Group CEO)

# LLB Group reports very good first half year

## Dear shareholders

Inflation, major bank crisis, war in Ukraine, headlines such as these have dominated the daily news over the last few months. Therefore, it gives us all the more pleasure that – despite this challenging environment – the LLB Group can report very pleasing first half year.

### Strong first half year result

Following an extremely successful business year in 2022, we were again able to increase profitability in the first half year of 2023. At CHF 88.7 million, Group net profit exceeded the level of the previous year by 16.8 per cent and therefore represents the best half year result for more than ten years. Operating income grew by CHF 25.3 million or 10.5 per cent to CHF 267.2 million (first half of 2022: CHF 241.9 million), whereby the LLB Group benefitted from interest rate increases in the major currencies. In contrast, operating expenses rose in line with the Group's strategy by 6.3 per cent to CHF 164.3 million (first half of 2022: CHF 154.5 million). This was largely attributable to the growth in personnel expenses because in the previous months the LLB Group created more than a hundred additional jobs. In spite of these investments in the future, the Cost Income Ratio again improved to 61.0 per cent (first half of 2022: 62.8 %). This reflects both the LLB Group's higher earnings and constantly improving efficiency.

All-round growth also contributed to this positive development in the first half year of 2023. The growth in lending business was particularly pleasing. New loans to customers totalling CHF 455.0 million were made, corresponding to an annualised growth rate of 6.3 per cent (full year 2022: 5.5 %). We achieved particularly good growth in corporate client business. The net new money inflow amounted to CHF 805.6 million, corresponding to an annualised growth rate of 1.9 per cent (full year 2022: 3.9 %). Thanks to organic growth and the positive market effects in the first half year, the business volume again expanded and, following on 2021, rose again over the 100-billion francs level. As at 30 June 2023, it stood at CHF 102.3 billion (31.12.2022: CHF 98.4 billion).

### Successful implementation of the ACT-26 strategy

The ACT-26 strategy encompasses the three core elements: growth, efficiency and sustainability. It stands for the consistent further development of the LLB Group as well as for its technological and sustainable transformation. Its implementation is progressing according to plan because we were able to take significant steps in the first half of 2023 to enable us to attain our ambitious objectives.

#### Growth

To enable us to continue growing, we are intensifying our activities in Switzerland in the coming years, especially in relation to expanding private banking, corporate client business and our activities with external asset managers. Private client business will continue to be a central pillar of our operations. As part of our strategic development we plan to open new business locations in Zurich and St. Gallen. Forty new jobs are to be created in support of our growth ambitions.

In Germany we are also envisaging robust growth and planning to care for our clients locally. For this purpose, we shall open three new business locations in Frankfurt, Dusseldorf and Munich at the beginning of 2024.

The ACT-26 corporate strategy and the dual positioning as the leading bank in Liechtenstein as well as in the adjacent region, and as a secure, sustainable, international private bank are soon to be reflected in a uniform corporate appearance on the market: from mid-September all the Group companies will operate under the modern, strong "LLB" brand.

#### Efficiency

Our digital transformation programme LLB.ONE is also progressing according to plan. For example, in addition to a new messaging centre for our clients, we have launched various additional self-service online banking possibilities such as enabling clients to change address and contact data independently, or balance accounts themselves. In the area of mobile payments, Samsung Pay offers our clients attractive new possibilities; while in relation to financing facilities our private clients can now extend mortgage loans online. Furthermore, we have received very positive feedback regarding our electronic tax statement for clients in Switzerland. Further innovations are planned in the coming months.

#### Sustainability

Further progress has been made in relation to sustainability, our third core element. For instance, in our banking operations we have successfully reduced our greenhouse gas emissions compared to the base year. A new mobility concept has also been finalised and will soon be implemented. We were also able to take another important step towards achieving complete climate neutrality at the beginning of August 2023 by deciding to completely withdraw from investments in companies in the fossil energy sector in our own investment. We are particularly proud of our new financing solutions with which we want in future to promote sustainable construction in our home market of Liechtenstein. Starting in 2024, clients who carefully consider energy efficiency when undertaking a new build or building renovation can benefit from very preferential conditions.

### Elections to the Board of Directors

After Gabriela Nagel-Jungo and Urs Leinhäuser stood down from the Board of Directors due to the legal term of office limitation rule, at the 31<sup>st</sup> General Meeting of Shareholders in May Nicole Brunhart, a business economist, and Christian Wiesendanger, a financial expert, were elected as new members of the Board. With these new and the incumbent members we want to continue the successful development of the LLB Group.

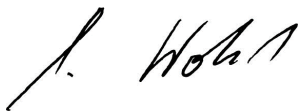
## Outlook

The current business year continued to be characterised by numerous uncertainties such as geopolitical risks, persisting inflationary pressure and the threat of recession. Thanks to the turnaround with interest rates, the market environment has changed significantly. From a medium-term perspective, no reduction in interest rates is to be expected. We are confident that we can maintain the momentum generated in the first half year and continue our positive business development. We expect to achieve a solid result for the full year for the LLB Group.

## A note of thanks

We would like to thank you, our esteemed shareholders, for your loyalty and commitment to our company. A sincere note of thanks also goes to our clients for their trust in us. The times are indeed challenging, but with our clear strategy, strong values and competent employees we are confident we can continue to achieve success in the future.

Yours sincerely



**Georg Wohlwend**  
Chairman of the Board of Directors



**Gabriel Brenna**  
Group CEO



# Retail & Corporate Banking

The Retail & Corporate Banking segment encompasses the universal banking business in the domestic markets of Liechtenstein and Switzerland and offers the entire spectrum of banking and financial services. Traditionally, savings and mortgage lending business have always played a very important role. This is supplemented by financial planning, corporate pension provisioning, as well as specific investment advice and asset management for clients having available assets of up to CHF 0.5 million. It also takes care of locally oriented private banking clients in the German-speaking region (Liechtenstein / Switzerland / Germany).

The Retail & Corporate Banking combines modern bank branches with mobile and web-based services. It has three LLB branches in Liechtenstein, as well as 17 Bank Linth branches in the Swiss regions of Linthgebiet, Zurichsee, Sarganserland, Ausserschwyz, Winterthur and Thurgau.

## Business segment result

The segment profit before taxes rose by 36.2 per cent to CHF 61.5 million.

Interest differential business, which comprises the largest proportion of earnings in the Retail and Corporate Banking Division, posted a 35.3 per cent increase. This was attributable to the continual growth of mortgage lending business and higher interest rates. Fee and commission income remained stable and at CHF 45.1 million was slightly up on the equivalent period in the previous year. In contrast, trading activities contracted resulting in lower trading income of CHF 9.3 million. In total, operating income climbed by over 19 per cent to CHF 126.2 million. The gross margin increased to 76 basis points. Operating expenses were down substantially by 6.7 per cent.

Growth continued to be extremely pleasing with a positive net new money inflow of CHF 0.6 billion. Inflows from clients in Germany, as well as increased lending business by CHF 0.5 billion contributed equally to this growth. The business volume expanded to CHF 34.5 billion.

## Segment reporting

in CHF thousands	First half 2023	First half 2022	+ / - %
Net interest income	73'208	54'126	35.3
Expected credit losses	- 2'093	- 3'373	- 37.9
Net interest income after expected credit losses	71'115	50'753	40.1
Net fee and commission income	45'063	44'039	2.3
Net trading income	9'277	10'229	- 9.3
Other income	770	825	- 6.6
<b>Total operating income</b>	<b>126'224</b>	<b>105'846</b>	<b>19.3</b>
Personnel expenses	- 22'301	- 21'926	1.7
General and administrative expenses	- 2'619	- 2'409	8.7
Depreciation	- 25	- 17	47.3
Services (from) / to segments	- 39'808	- 36'364	9.5
<b>Total operating expenses</b>	<b>- 64'753</b>	<b>- 60'716</b>	<b>6.7</b>
<b>Segment profit before tax</b>	<b>61'471</b>	<b>45'130</b>	<b>36.2</b>

## Performance figures

	First half 2023	First half 2022
Gross margin (in basis points) <sup>1</sup>	75.8	66.8
Cost Income Ratio (in per cent) <sup>1</sup>	50.5	55.6
Net new money (in CHF millions) <sup>1</sup>	594	716
Growth of net new money (in per cent) <sup>1</sup>	3.1	3.6

<sup>1</sup> Definition under [www.llb.li/investors-apm](http://www.llb.li/investors-apm)

## Additional information

	30.06.2023	31.12.2022	+ / - %
Business volume (in CHF millions) <sup>1</sup>	34'458	33'003	4.4
Assets under management (in CHF millions) <sup>1</sup>	20'315	19'365	4.9
Loans (in CHF millions)	14'144	13'638	3.7
Employees (full-time equivalents, in positions)	253	248	2.1

<sup>1</sup> Definition under [www.llb.li/investors-apm](http://www.llb.li/investors-apm)

# International Wealth Management

The International Wealth Management segment focuses on private banking clients as well as institutional and investment fund clients. In the private banking business area the emphasis lies on the Austrian and other Western Europe markets, as well as the growth markets in Central and Eastern Europe and the Middle East. This business segment offers international clients comprehensive services in investment advice, wealth management, asset structuring, financing facilities, as well as financial and retirement planning. The investment fund and institutional clients business areas encompass clients such as fiduciaries, asset managers, fund promoters, insurance companies, pension funds and public institutions. The focus lies on the home markets of Liechtenstein, Switzerland and Austria.

## Business segment result

The segment result before taxes of the International Wealth Management Division amounted to CHF 63.6 million. In comparison with the equivalent period in the previous year, this represents an increase of 27.4 per cent. Operating income improved by 16.9 million to CHF 121.7 million. A substantial increase was achieved in interest differential business. On account of the sharp rise in interest rates, interest income rose by CHF 35.5 million to CHF 52.1 million. In the previous year, the segment benefitted from larger volumes of client assets, as well as from exceptionally high earnings from real estate in Austria. In total, the gross margin improved by 7.5 basis points. Operating expenses rose to CHF 58.1 million, partly due the higher headcount.

At CHF 0.2 billion, net new money inflows were unable to attain the extremely high levels of the previous year. The current market conditions, especially in real estate funds business, are very challenging. In contrast, business with institutional clients in Liechtenstein generated gratifying inflows. In total, the business volume increased by 3.8 per cent to CHF 67.7 billion.

## Segment reporting

in CHF thousands	First half 2023	First half 2022	+ / - %
Net interest income	52'125	16'604	213.9
Expected credit losses	0	- 56	- 100.0
Net interest income after expected credit losses	52'125	16'548	215.0
Net fee and commission income	61'729	76'084	- 18.9
Net trading income	9'491	12'240	- 22.5
Other income	- 1'612	1	
<b>Total operating income</b>	<b>121'734</b>	<b>104'873</b>	<b>16.1</b>
Personnel expenses	- 23'147	- 22'154	4.5
General and administrative expenses	- 2'612	- 2'723	- 4.1
Depreciation	- 173	- 197	- 12.2
Services (from) / to segments	- 32'170	- 29'871	7.7
<b>Total operating expenses</b>	<b>- 58'102</b>	<b>- 54'945</b>	<b>5.7</b>
<b>Segment profit before tax</b>	<b>63'632</b>	<b>49'928</b>	<b>27.4</b>

## Performance figures

	First half 2023	First half 2022
Gross margin (in basis points) <sup>1</sup>	37.4	29.9
Cost Income Ratio (in per cent) <sup>1</sup>	47.7	52.4
Net new money (in CHF millions) <sup>1</sup>	208	1'793
Growth of net new money (in per cent) <sup>1</sup>	0.3	2.5

<sup>1</sup> Definition under [www.llb.li/investors-apm](http://www.llb.li/investors-apm)

## Additional information

	30.06.2023	31.12.2022	+ / - %
Business volume (in CHF millions) <sup>1</sup>	67'669	65'194	3.8
Assets under management (in CHF millions) <sup>1</sup>	66'768	64'214	4.0
Loans (in CHF millions)	901	980	- 8.1
Employees (full-time equivalents, in positions)	261	246	6.3

1 Definition under [www.llb.li/investors-apm](http://www.llb.li/investors-apm)

# Corporate Center

The Corporate Center bundles central functions within the LLB Group and supports the market-oriented divisions in conducting their activities and implementing their strategies. The focus lies in the areas of communication, marketing, human resources, finance, risk and credit management, IT, trading, securities administration and payment services, as well as corporate development and legal and compliance services. In addition, it steers, coordinates and monitors groupwide business activities, processes and risks. It conducts the Group's corporate development and its digital transformation, as well as enhancing the efficiency and quality of the services the LLB Group delivers.

## Business segment result

The LLB Group reports the structural contribution from interest business, the value of interest rate hedging instruments and income from financial investments under the Corporate Center. In comparison with the previous year, operating income fell by CHF 11.9 million to CHF 19.3 million. The decrease was attributable primarily to interest business. On the one hand, due to treasury measures, earnings shifted into trading business. On the other, the higher interest income in the market divisions was also a factor. In contrast, the structural contribution to the Corporate Center decreased. However, income from financial investments was higher. On account of further targeted investments in the ACT-26 strategy, operating expenses climbed, as expected, by 6.7 per cent to CHF 41.4 million.

## Segment reporting

in CHF thousands	First half 2023	First half 2022	+ / - %
Net interest income	- 43'546	2'704	
Expected credit losses	- 14	- 18	- 25.3
Net interest income after expected credit losses	- 43'559	2'685	
Net fee and commission income	- 9'112	- 7'425	22.7
Net trading income	63'750	30'751	107.3
Net income from financial investments	6'894	- 814	
Other income	1'300	5'979	- 78.3
<b>Total operating income</b>	<b>19'272</b>	<b>31'176</b>	<b>- 38.2</b>
Personnel expenses	- 56'217	- 52'121	7.9
General and administrative expenses	- 37'247	- 35'024	6.3
Depreciation	- 19'938	- 17'919	11.3
Services (from) / to segments	71'978	66'234	8.7
<b>Total operating expenses</b>	<b>- 41'424</b>	<b>- 38'829</b>	<b>6.7</b>
<b>Segment profit before tax</b>	<b>- 22'152</b>	<b>- 7'653</b>	<b>189.4</b>

## Additional information

	30.06.2023	31.12.2022	+ / - %
Employees (full-time equivalents, in positions)	654	622	5.0

# Consolidated interim financial statement of the LLB Group (unaudited)

15	Consolidated interim management report
19	Consolidated income statement
20	Consolidated statement of comprehensive income
21	Consolidated balance sheet
22	Consolidated statement of changes in equity
23	Consolidated statement of cash flows
	Notes
25	Accounting principles
27	Segment reporting
29	Notes to the consolidated income statement
33	Notes to the consolidated balance sheet and off-balance sheet transactions

# Consolidated interim management report

## Income statement

In the first half of 2023, the LLB Group earned a net profit of CHF 88.7 million, which is 16.8 per cent higher than in the same period of the previous year (first half of 2022: CHF 75.9 million).

The profit attributable to the shareholders of Liechtensteinische Landesbank AG amounted to CHF 88.6 million (first half of 2022: CHF 74.1 million). Undiluted earnings per share stood at CHF 2.89 (first half of 2022: CHF 2.42).

Operating income increased by 10.5 per cent to CHF 267.2 million in the first half of 2023 (first half of 2022: CHF 241.9 million).

In comparison with the same period in the previous year, interest income before expected credit losses rose by 11.4 per cent or CHF 8.4 million to CHF 81.8 million (first half of 2022: CHF 73.4 million). In interest business with clients, attractive conditions on deposits benefitted clients. Accordingly, interest expense increased. At the same time, interest income from lending business improved. Due to the extension of expiring fixed-interest loans over the next few years, the outlook is also positive. In addition, the LLB Group is benefiting from its strong growth. Other income from interest business expanded as a result of treasury activities. These included deposits with central banks.

Risk provisions in the first half of 2023 amounted to net CHF 2.1 million (first half of 2022: CHF 3.4 million net allocation).

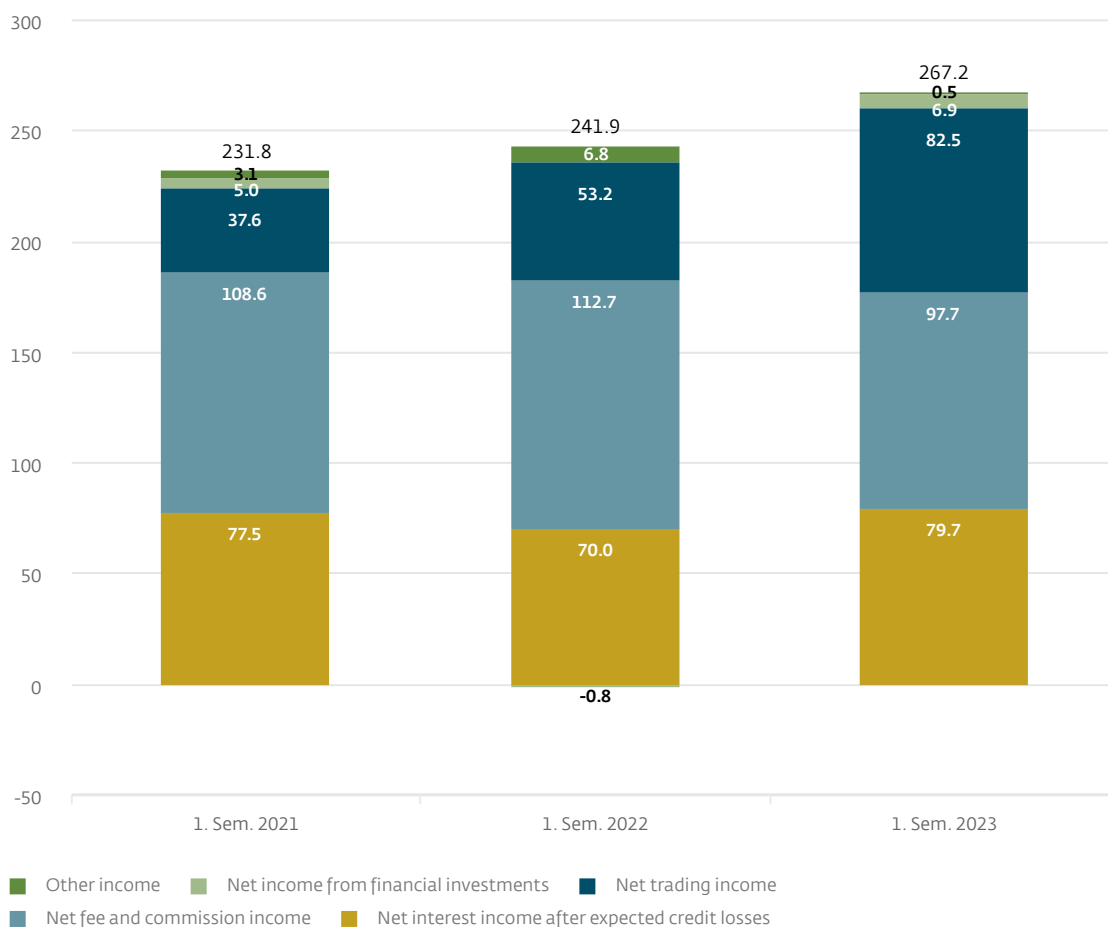
In comparison with the previous year, net fee and commission income fell by CHF 15.0 million to CHF 97.7 million (first half of 2022: CHF 112.7 million). Portfolio-dependent revenues decreased in comparison with the previous year on account of lower average portfolio positions due to market-related factors. At the same time, transaction-related revenues also declined. In the previous year exceptionally high earnings were attained in real estate business in Austria. As expected, it was not possible to repeat this result in the current interest rate situation. In addition, client trading activity was lower due to their switching into more attractive interest rate products. In turn this meant earnings from net brokerage fees were lower.

Net trading income increased by 55.1 per cent in the first half of 2023 to CHF 82.5 million (first half of 2022: CHF 53.2 million). Foreign exchange business made a major contribution to this success, climbing to CHF 81.3 million, CHF 32.8 million higher than in the equivalent period in the previous year (first half of 2022: CHF 48.5 million). The LLB Group benefitted here from the rise in interest rates and to a large degree from the preponderance of liability items in its balance sheet, mainly due to client deposits in US dollars and euros. The expansion of interest differential business, with the accompanying increase in earnings, was achieved effectively without incurring additional risks.

Income from financial investments stood at CHF 6.9 million (first half of 2022: minus CHF 0.8 million). Developments on the financial markets led to a book gain, measured on the reporting date, of CHF 0.7 million (first half of 2022: minus CHF 6.5 million). Earnings from dividends grew by CHF 0.5 million to CHF 6.2 million (first half of 2022: CHF 5.7 million).

Other income fell by CHF 6.3 million to CHF 0.5 million in comparison with the previous year (first half of 2022: CHF 6.8 million). The higher result in the previous year was mainly attributable to the sale of a claim.

### Operating income (in CHF millions)



At CHF 164.3 million, operating expenses in the first half of 2023 were 6.3 per cent higher than in the previous year (first half of 2022: CHF 154.5 million). The increase in both personnel and general expenses is in line with expectations and reflects the investments in the implementation of the ACT-26 strategy.

Personnel expenses rose by 5.7 per cent or CHF 5.5 million to CHF 101.7 million (first half of 2022: CHF 96.2 million). In accordance with its strategy, the LLB Group expanded its human resources particularly in the business areas of "Digital Transformation".

At CHF 42.5 million, general and administrative expenses were 5.8 per cent up on the previous year (first half of 2022: CHF 40.2 million). The increase was attributable to higher costs for IT systems and marketing activities.

Depreciation rose by CHF 2.0 million to CHF 20.1 Million (first half of 2022: CHF 18.1 million) as a result of one-time write downs in connection with the business location strategy for Switzerland.

The Cost Income Ratio improved to 61.0 per cent (first half of 2022: 62.8 %).



## Balance sheet

In comparison with 31 December 2022, the consolidated balance sheet total increased by 0.1 per cent and amounted to CHF 25.3 billion as at 30 June 2023 (31.12.2022: CHF 25.2 billion).

Equity attributable to the shareholders of LLB stood at CHF 2.1 billion as at 30 June 2023 (31.12.2022: CHF 2.0 billion). The Tier 1 ratio stood at 19.2 per cent (31.12.2022: 19.7 %). The return on equity attributable to the shareholders of LLB amounted to 8.7 per cent (first half of 2022: 7.2 %).

## Business volume

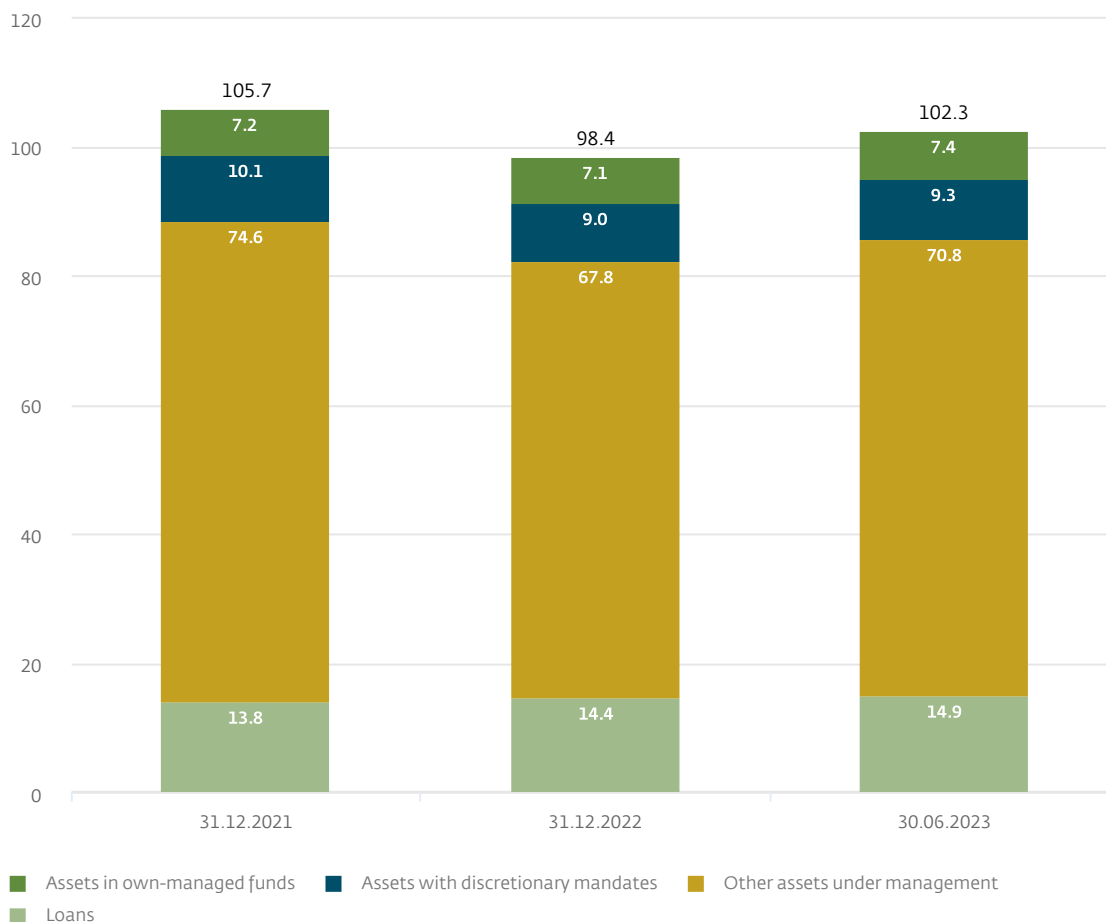
In comparison with 31 December 2022, the business volume expanded by 4.0 per cent or CHF 3.9 billion to CHF 102.3 billion (31.12.2022: CHF 98.4 billion).

Compared with 31 December 2022, loans to customers grew by 2.9 per cent to CHF 14.9 billion (31.12.2022: CHF 14.4 billion), whereby mortgage loans increased by 3.5 per cent to CHF 13.3 billion (31.12.2022: CHF 12.9 billion). Additional growth was achieved particularly in corporate client business and with investment properties.

On account of the positive market performance and new money inflows, client assets under management climbed by 4.2 per cent to CHF 87.4 billion (31.12.2022: CHF 83.9 billion).

In the first half of 2023, the LLB Group posted a net new money inflow of CHF 806 million (first half of 2022: CHF 2'509 million). Thanks to intensive activities and sales in the markets, new money inflows were attained in both market segments. Growth was especially pleasing in private banking in Liechtenstein, where increased demand for these services from clients from Germany was discernible.

## Business volume (in CHF billions)



## Outlook

The current business year remains marked by numerous uncertainties: geopolitical risks, inflationary pressure and the danger of recession have not yet been banished. With the turnaround in interest rates, the market environment has changed permanently. In the medium term, a decline in interest rates is not to be expected. We are confident that we will be able to maintain the momentum of the first half of the year and continue the positive development. We expect a solid result for the LLB Group for the year as a whole.

# Consolidated income statement

in CHF thousands	Note	First half 2023	First half 2022	+ / - %
Interest Income	1	198'498	108'387	83.1
Interest expenses	1	- 116'711	- 34'953	233.9
<b>Net interest income</b>	<b>1</b>	<b>81'787</b>	<b>73'433</b>	<b>11.4</b>
Expected credit losses		- 2'107	- 3'447	- 38.9
<b>Net interest income after expected credit losses</b>		<b>79'680</b>	<b>69'986</b>	<b>13.9</b>
Fee and commission income	2	163'865	182'897	- 10.4
Fee and commission expenses	2	- 66'185	- 70'198	- 5.7
<b>Net fee and commission income</b>	<b>2</b>	<b>97'680</b>	<b>112'699</b>	<b>- 13.3</b>
Net trading income	3	82'518	53'219	55.1
Net income from financial investments	4	6'894	- 814	
Other income	5	459	6'804	- 93.3
<b>Total operating income</b>		<b>267'230</b>	<b>241'895</b>	<b>10.5</b>
Personnel expenses	6	- 101'664	- 96'201	5.7
General and administrative expenses	7	- 42'479	- 40'155	5.8
Depreciation		- 20'137	- 18'134	11.0
<b>Total operating expenses</b>		<b>- 164'280</b>	<b>- 154'490</b>	<b>6.3</b>
<b>Operating profit before tax</b>		<b>102'950</b>	<b>87'405</b>	<b>17.8</b>
Tax expenses	8	- 14'258	- 11'481	24.2
<b>Net profit</b>		<b>88'692</b>	<b>75'925</b>	<b>16.8</b>
Of which attributable to:				
Shareholders of LLB		88'585	74'119	19.5
Non-controlling interests		108	1'806	- 94.0
<b>Earnings per share attributable to the shareholders of LLB</b>				
Basic earnings per share (in CHF)	9	2.89	2.42	19.3
Diluted earnings per share (in CHF)	9	2.88	2.41	19.3

# Consolidated statement of comprehensive income

in CHF thousands	Note	First half 2023	First half 2022	+ / - %
Net profit		88'692	75'925	16.8
<b>Other comprehensive income (after tax), which can be reclassified to the income statement</b>				
Foreign currency translation		- 2'309	- 12'254	- 81.2
Changes in value of debt instruments, recognised at fair value through other comprehensive income		18'559	- 111'907	
Reclassified (profit) / loss with debt instruments, recognised at fair value through other comprehensive income	4	81	- 88	
Tax effects		- 2'608	15'067	
<b>Total</b>		<b>13'722</b>	<b>- 109'182</b>	
<b>Other comprehensive income (after tax), which cannot be reclassified to the income statement</b>				
Actuarial gains / (losses) of pension plans		- 6'449	30'771	
Changes in value of equity instruments, recognised at fair value through other comprehensive income		10'519	- 37'656	
Tax effects		694	- 3'614	
<b>Total</b>		<b>4'764</b>	<b>- 10'499</b>	
<b>Total other comprehensive income (after tax)</b>		<b>18'486</b>	<b>- 119'681</b>	
<b>Comprehensive income for the period</b>		<b>107'178</b>	<b>- 43'757</b>	
Of which attributable to:				
Shareholders of LLB		107'074	- 44'310	
Non-controlling interests		104	554	- 81.2

# Consolidated balance sheet

in CHF thousands	Note	30.06.2023	31.12.2022	+ / - %
<b>Assets</b>				
Cash and balances with central banks		6'364'040	6'264'269	1.6
Due from banks		505'447	395'499	27.8
Loans		14'856'628	14'435'257	2.9
Derivative financial instruments		203'169	342'355	- 40.7
Financial investments	10	2'727'475	3'187'458	- 14.4
Property and equipment		126'654	133'667	- 5.2
Goodwill and other intangible assets		265'764	269'762	- 1.5
Current tax assets		7	13	- 41.3
Deferred tax assets		5'944	10'620	- 44.0
Accrued income and prepaid expenses		110'527	101'026	9.4
Other assets		84'607	75'939	11.4
<b>Total assets</b>		<b>25'250'264</b>	<b>25'215'865</b>	<b>0.1</b>
<b>Liabilities</b>				
Due to banks		1'071'339	1'667'253	- 35.7
Due to customers		19'378'135	18'799'748	3.1
Derivative financial instruments		120'010	288'679	- 58.4
Debt issued	11	2'344'785	2'187'532	7.2
Current tax liabilities		24'593	17'746	38.6
Deferred tax liabilities		20'475	20'615	- 0.7
Accrued expenses and deferred income		90'122	81'567	10.5
Provisions	12	15'859	13'785	15.0
Other liabilities		129'538	115'212	12.4
<b>Total liabilities</b>		<b>23'194'857</b>	<b>23'192'137</b>	<b>0.0</b>
<b>Equity</b>				
Share capital		154'000	154'000	0.0
Share premium		- 16'169	- 14'923	8.4
Treasury shares		- 8'958	- 11'640	- 23.0
Retained earnings		2'063'917	2'056'623	0.4
Other reserves		- 138'409	- 161'534	- 14.3
<b>Total equity attributable to shareholders of LLB</b>		<b>2'054'381</b>	<b>2'022'525</b>	<b>1.6</b>
Non-controlling interests		1'026	1'203	- 14.7
<b>Total equity</b>		<b>2'055'407</b>	<b>2'023'728</b>	<b>1.6</b>
<b>Total liabilities and equity</b>		<b>25'250'264</b>	<b>25'215'865</b>	<b>0.1</b>

# Consolidated statement of changes in equity

in CHF thousands	Attributable to shareholders of LLB						Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves <sup>4</sup>	Total		
As at 1 January 2022	154'000	– 13'952	– 15'073	1'959'517	12'932	2'097'423	142'704	2'240'128
Comprehensive income for the period				74'119	– 118'429	– 44'310	554	– 43'757
Net profit				74'119		74'119	1'806	75'925
Other comprehensive income					– 118'429	– 118'429	– 1'252	– 119'681
Net movements in treasury shares <sup>1</sup>		– 2'099	– 17'028			– 19'127		– 19'127
Dividend 2021, paid 2022				– 70'426		– 70'426	– 369	– 70'795
Increase / (Reduction) in non-controlling interests <sup>2</sup>			20'450	19'999		40'449	– 141'013	– 100'564
<b>As at 30 June 2022</b>	<b>154'000</b>	<b>– 16'050</b>	<b>– 11'651</b>	<b>1'983'209</b>	<b>– 105'497</b>	<b>2'004'010</b>	<b>1'876</b>	<b>2'005'885</b>
As at 1 January 2023	154'000	– 14'923	– 11'640	2'056'623	– 161'534	2'022'525	1'203	2'023'728
Comprehensive income for the period				88'585	18'489	107'074	104	107'178
Net profit				88'585		88'585	108	88'692
Other comprehensive income					18'489	18'489	– 4	18'486
Reclassification not affecting the income statement <sup>3</sup>				– 4'636	4'636	0		0
Net movements in treasury shares <sup>1</sup>		– 1'246	2'682			1'436		1'436
Dividend 2022, paid 2023				– 76'654		– 76'654	– 280	– 76'934
<b>As at 30 June 2023</b>	<b>154'000</b>	<b>– 16'169</b>	<b>– 8'958</b>	<b>2'063'917</b>	<b>– 138'409</b>	<b>2'054'381</b>	<b>1'026</b>	<b>2'055'407</b>

1 Contains the change of reserves for security entitlements

2 The purchase of non-controlling interests of Bank Linth was largely carried out by means of a public purchase offer to Bank Linth shareholders. A proportion of the purchase price was serviced with treasury shares.

3 The reclassification reflects the transfer of the loss from the sale of financial investments in equity instruments, which were recognised at fair value in other comprehensive income (see also note 10).

4 The reconciliation of currency translation differences amounted to minus CHF thousands 51'759 as at 30 June 2023 (31 December 2022: minus CHF thousands 49'455). The difference reflects the change within the business year, which is reported in the statement of comprehensive income.

# Consolidated statement of cash flows

in CHF thousands	Note	First half 2023	First half 2022
<b>Cash flow from / (used in) operating activities</b>			
Interest received		187'845	96'033
Dividends received from financial investments	4	6'226	5'736
Interest paid		– 97'518	– 14'633
Fees and commission received		156'685	172'400
Fees and commission paid		– 57'415	– 64'326
Trading income		82'121	45'388
Other income		459	7'781
Payments for personnel, general and administrative expenses		– 154'545	– 143'932
Income tax paid		– 4'688	– 7'572
Rent paid for short-term and low-value leases		– 214	– 190
Cash flow from operating activities, before changes in operating assets and liabilities		118'956	96'685
Net due from / to banks		– 554'732	– 158'456
Loans / due to customers		124'724	378'941
Other assets		3'805	– 38'944
Other liabilities		19'301	30'042
Changes in operating assets and liabilities		– 406'902	211'582
<b>Net cash flow from / (used in) operating activities</b>		<b>– 287'946</b>	<b>308'267</b>
<b>Cash flow from / (used in) investing activities</b>			
Purchase of property and equipment		– 2'989	– 3'788
Disposal of property and equipment		0	1'070
Purchase of other intangible assets		– 5'404	– 14'075
Purchase of financial investments		– 448'511	– 592'738
Disposal of financial investments		420'074	151'910
Purchase of non-current assets held for sale		– 9'272	0
Sale of non-current assets held for sale		0	825
<b>Net cash flow from / (used in) investing activities</b>		<b>– 46'102</b>	<b>– 456'795</b>

## Consolidated statement of cash flows (unaudited)

in CHF thousands	Note	First half 2023	First half 2022
<b>Cash flow from / (used in) financing activities</b>			
Purchase of treasury shares <sup>1</sup>		0	– 20'450
Dividends paid		– 76'654	– 70'426
Dividends paid to non-controlling interests		– 280	– 369
Reduction in non-controlling interests <sup>1</sup>		0	– 100'564
Repayment of lease liabilities		– 2'822	– 2'644
Issuance of debt		191'086	190'828
Repayment of debt		– 35'241	– 97'973
<b>Net cash flow from / (used in) financing activities</b>		<b>76'089</b>	<b>– 101'598</b>
Effects of foreign currency translation on cash and cash equivalents		– 10'857	– 60'131
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>– 268'817</b>	<b>– 310'257</b>
Cash and cash equivalents at beginning of the period		7'079'415	7'606'684
<b>Cash and cash equivalents at end of the period</b>		<b>6'810'598</b>	<b>7'296'426</b>
<b>Cash and cash equivalents comprise:</b>			
Cash and balances with central banks		6'364'040	6'853'071
Due from banks (due daily)		446'557	443'355
<b>Total cash and cash equivalents</b>		<b>6'810'598</b>	<b>7'296'426</b>

1 The purchase of non-controlling interests of Bank Linth was largely carried out by means of a public purchase offer to Bank Linth shareholders in the first semester 2022. A proportion of the purchase price was serviced with treasury shares.



# Accounting principles

## 1 Accounting principles

### 1.1 Basis for financial accounting

This interim financial reporting was prepared in accordance with the international accounting standard for interim financial reporting (IAS 34 "Interim Financial Reporting"). The accounting and valuation principles employed in the unaudited consolidated interim financial report correspond to those used in the 2022 annual report, which was prepared in accordance with international financial reporting standards (IFRS) and the requirements stipulated in Article 17a of the Person and Company Law Ordinance of the Principality of Liechtenstein.

The unaudited interim financial reporting 2023 does not encompass all the data contained in the audited 2022 consolidated financial statement and should, therefore, be read together with the audited consolidated financial statement as at 31 December 2022.

### 1.2 Use of estimates in the preparation of financial statements

Areas having large scope for estimate judgements, which are of great significance for the financial statement, include estimates for expected credit losses, goodwill, provisions, fair value measurement, and liabilities for pension plans. Explanations regarding this point are shown under notes 12 and 13 in the 2023 consolidated interim financial statement and under notes 13, 17, 25 and 33, as well as in the chapter "[Pension plans and other long-term benefits](#)" in the 2022 consolidated financial statement.

The LLB Group updates the actuarial assumptions and parameters used for the calculation of pension obligations on every reporting date.

### 1.3 New IFRS, amendments and interpretations

New IFRS, as well as revisions and interpretations of existing IFRS, which are to be applied for financial years beginning on 1 January 2023 or later, were published, or came into effect.

#### 1.3.1 Changes to accounting policies effective from 1 January 2023

The following new or amended IFRS or interpretations are relevant to the LLB Group and are applied for the first time from 1 January 2023:

- ♦ Amendments to IAS 1 "Material Accounting Policies" – Clarification that in future entities disclose their material accounting policy information and not their significant accounting policies
- ♦ IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Clarification of the definition of accounting estimates to distinguish changes in accounting estimates from changes in accounting policies
- ♦ IAS 12 "Income Taxes" – Clarification that deferred taxes are to be allocated for single transactions on initial recognition if equal amounts of deductible and taxable temporary differences arise from single transactions

The new or amended IFRS have no material influence on the financial statement of the LLB Group.

#### 1.3.2 Applicable for financial years beginning on 1 January 2024

Currently, there are no new or amended IFRS or interpretations which are of relevance for the LLB Group.

## 2 Changes in the scope of consolidation

In the first half of 2023 there were no changes to the scope of consolidation.

### 3 Foreign currency translation

Closing Rate	30.06.2023	31.12.2022
1 USD	0.9008	0.9232
1 EUR	0.9788	0.9847

Average rate	First half 2023	First half 2022
1 USD	0.9157	0.9402
1 EUR	0.9878	1.0258

### 4 Risk management

Within the scope of its operative activity, the LLB Group is exposed to financial risks such as market, credit, liquidity and refinancing risks, as well as operational risks. The current situation has not changed substantially in comparison with the situation as at 31 December 2022. Therefore, the 2023 consolidated interim financial reporting contains only qualitative disclosures regarding credit risks. For more detailed information, we refer to the [2022 annual report](#).

In terms of the value of its absolute loans, the credit portfolio of the LLB Group has not changed materially during the first half of 2023. In the case of stage 1 and 2 loans, a net allocation of CHF 0.4 million for expected credit risks (30.06.2022: CHF 0.0 million net change) and for stage 3 positions a net allocation of CHF 1.7 million was made (30.06.2022: CHF 3.4 million net allocation). Across all stages the expected credit losses led to a total expense of CHF 2.1 million (30.06.2022: CHF 3.4 million expense). This is reported in the consolidated income statement.

### 5 Events after the balance sheet date

No material events occurred after the balance sheet date which would have a significant influence on the asset, financial and earnings position of the LLB Group.

# Segment reporting

The business activities of the LLB Group are divided into two business areas. These form the basis for the segment reporting:

- The Retail and Corporate Banking segment services locally oriented private banking clients in Liechtenstein, Switzerland and Germany, as well as corporate and private clients in Liechtenstein and Switzerland.
- The International Wealth Management segment cares for Austrian and international private banking clients, as well as institutional and investment fund clients.

The Corporate Center supports the two segments principally in the following areas: Finances, Credit and Risk Management, Operations, IT, Information Security, Digital Transformation, Product Management, Corporate Development, Legal & Compliance, as well as Facility and Procurement Management. Other business areas such as Communications, Marketing, Asset Management and Human Resources are also integrated in the Corporate Center.

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Group Executive Management (chief operating decision maker), which is responsible for allocating resources to the reportable segments and assessing their performance. All operating segments used by the LLB Group meet the definition of a reportable segment under IFRS 8.

In accordance with the principle of responsibility and based on the organisational structure, income and expenditure are allocated to the business divisions. Indirect costs resulting from services provided internally are accounted for according to the principle of causation and are recorded as a cost decrease for the service provider and as a cost increase for the service beneficiary. The remaining income and expenditure for overriding services which cannot be assigned to the segments are shown under Corporate Center. Furthermore, consolidation adjustments are reported under Corporate Center.

Transactions between the segments are executed at standard market conditions.

## First half of 2022

in CHF thousands	Retail & Corporate Banking	International Wealth Management	Corporate Center	Total Group
Net interest income	54'126	16'604	2'704	73'433
Expected credit losses	- 3'373	- 56	- 18	- 3'447
Net interest income after expected credit losses	50'753	16'548	2'685	69'986
Net fee and commission income	44'039	76'084	- 7'425	112'699
Net trading income	10'229	12'240	30'751	53'219
Net income from financial investments	0	0	- 814	- 814
Other income	825	1	5'979	6'804
<b>Total operating income<sup>1</sup></b>	<b>105'846</b>	<b>104'873</b>	<b>31'176</b>	<b>241'895</b>
Personnel expenses	- 21'926	- 22'154	- 52'121	- 96'201
General and administrative expenses	- 2'409	- 2'723	- 35'024	- 40'155
Depreciation	- 17	- 197	- 17'919	- 18'134
Services (from) / to segments	- 36'364	- 29'871	66'234	0
<b>Total operating expenses</b>	<b>- 60'716</b>	<b>- 54'945</b>	<b>- 38'829</b>	<b>- 154'490</b>
<b>Operating profit before tax</b>	<b>45'130</b>	<b>49'928</b>	<b>- 7'653</b>	<b>87'405</b>
Tax expenses				- 11'481
<b>Net profit</b>				<b>75'925</b>

1 There were no substantial earnings generated between the segments so that income between the segments is not material.

## First half of 2023

in CHF thousands	Retail & Corporate Banking	International Wealth Management	Corporate Center	Total Group
Net interest income	73'208	52'125	– 43'546	81'787
Expected credit losses	– 2'093	0	– 14	– 2'107
Net interest income after expected credit losses	71'115	52'125	– 43'559	79'680
Net fee and commission income	45'063	61'729	– 9'112	97'680
Net trading income	9'277	9'491	63'750	82'518
Net income from financial investments	0	0	6'894	6'894
Other income	770	– 1'612	1'300	459
<b>Total operating income<sup>1</sup></b>	<b>126'224</b>	<b>121'734</b>	<b>19'272</b>	<b>267'230</b>
Personnel expenses	– 22'301	– 23'147	– 56'217	– 101'664
General and administrative expenses	– 2'619	– 2'612	– 37'247	– 42'479
Depreciation	– 25	– 173	– 19'938	– 20'137
Services (from) / to segments	– 39'808	– 32'170	71'978	0
<b>Total operating expenses</b>	<b>– 64'753</b>	<b>– 58'102</b>	<b>– 41'424</b>	<b>– 164'280</b>
<b>Operating profit before tax</b>	<b>61'471</b>	<b>63'632</b>	<b>– 22'152</b>	<b>102'950</b>
Tax expenses				– 14'258
<b>Net profit</b>				<b>88'692</b>

1 There were no substantial earnings generated between the segments so that income between the segments is not material.

There was no income from transactions with a single external client, which amounted to 10 per cent or more of the total earnings of the LLB Group.

# Notes to the consolidated income statement

## 1 Net interest income

in CHF thousands	First half 2023	First half 2022	+ / - %
Interest income from financial instruments measured at amortised cost			
Due from banks	57'242	147	
Loans	119'272	74'663	59.7
Debt instruments	4'260	0	
Loan commissions with the character of interest	1'794	1'501	19.5
Received negative interest	1'428	15'252	- 90.6
<b>Total interest income from financial instruments measured at amortised cost</b>	<b>183'997</b>	<b>91'563</b>	<b>101.0</b>
Interest income from financial instruments, recognised at fair value through other comprehensive income			
Debt instruments	10'511	8'303	26.6
<b>Total interest income from financial instruments, recognised at fair value through other comprehensive income</b>	<b>10'511</b>	<b>8'303</b>	<b>26.6</b>
Interest income from financial instruments at fair value through profit and loss			
Debt instruments	130	386	- 66.4
Interest rate derivatives	3'861	8'134	- 52.5
<b>Total interest income from financial instruments at fair value through profit and loss</b>	<b>3'991</b>	<b>8'521</b>	<b>- 53.2</b>
<b>Total interest income</b>	<b>198'498</b>	<b>108'387</b>	<b>83.1</b>
Interest expenses from financial instruments measured at amortised cost			
Due to banks	- 11'286	- 500	
Due to customers	- 97'963	- 4'454	
Paid negative interest	- 1'375	- 9'358	- 85.3
Lease liabilities	- 136	- 122	11.7
Debt issued	- 4'656	- 2'101	121.6
<b>Total interest expenses from financial instruments measured at amortised cost</b>	<b>- 115'415</b>	<b>- 16'534</b>	<b>598.1</b>
Interest expenses from financial instruments measured at fair value			
Interest rate derivatives	- 1'296	- 18'419	- 93.0
<b>Total interest expenses from financial instruments measured at fair value</b>	<b>- 1'296</b>	<b>- 18'419</b>	<b>- 93.0</b>
<b>Total interest expenses</b>	<b>- 116'711</b>	<b>- 34'953</b>	<b>233.9</b>
<b>Total net interest income</b>	<b>81'787</b>	<b>73'433</b>	<b>11.4</b>

## 2 Net fee and commission income

in CHF thousands	First half 2023	First half 2022	+ / - %
Brokerage fees	20'492	25'234	- 18.8
Custody fees	24'696	27'340	- 9.7
Advisory and management fees	26'969	28'913	- 6.7
Investment fund fees	77'143	81'359	- 5.2
Credit-related fees and commissions	399	383	4.0
Commission income from other services	14'166	19'667	- 28.0
<b>Total fee and commission income</b>	<b>163'865</b>	<b>182'897</b>	<b>- 10.4</b>
Brokerage fees paid	- 5'459	- 5'349	2.1
Other fee and commission expenses	- 60'726	- 64'849	- 6.4
<b>Total fee and commission expenses</b>	<b>- 66'185</b>	<b>- 70'198</b>	<b>- 5.7</b>
<b>Total net fee and commission income</b>	<b>97'680</b>	<b>112'699</b>	<b>- 13.3</b>

LLB and its subsidiaries offer clients an all-in fee for various services. This is recognised in the line "Advisory and management fees". The following table shows what share of the income position the all-in fee has, and what proportion of which services is included in it.

in CHF thousands	First half 2023	First half 2022	+ / - %
<b>Total all-in fees</b>	<b>16'253</b>	<b>16'312</b>	<b>- 0.4</b>
of which brokerage	4'633	4'385	5.7
of which securities administration	2'795	2'833	- 1.4
of which asset management	8'825	9'094	- 3.0

## 3 Net trading income

in CHF thousands	First half 2023	First half 2022	+ / - %
Foreign exchange trading	81'302	48'536	67.5
Foreign note trading	- 105	- 403	- 74.0
Precious metals trading	1'002	1'415	- 29.1
Interest rate instruments <sup>1</sup>	319	3'672	- 91.3
<b>Total net trading income</b>	<b>82'518</b>	<b>53'219</b>	<b>55.1</b>

1 The LLB Group uses interest rate swaps for trading and hedging purposes. If the interest rate swaps do not fulfil the approval criteria according to IAS 39 in order to be booked as hedging transactions, they are treated as interest rate swaps for trading purposes.

#### 4 Net income from financial investments

in CHF thousands	First half 2023	First half 2022	+ / - %
<b>Financial investments at fair value through profit and loss</b>			
Dividend income	589	318	85.2
Price gains <sup>1</sup>	749	- 6'638	
<b>Total net income from financial investments at fair value through profit and loss</b>	<b>1'337</b>	<b>- 6'320</b>	
<b>Financial investments, recognised at fair value through other comprehensive income</b>			
Dividend income	5'637	5'418	4.0
of which from financial investments held on the balance sheet date	5'462	5'418	0.8
of which from financial investments sold during the reporting period	175	0	
Realised gain	- 81	88	
<b>Total net income from financial investments, recognised at fair value through other comprehensive income</b>	<b>5'556</b>	<b>5'506</b>	<b>0.9</b>
<b>Total net income from financial investments at fair value</b>	<b>6'894</b>	<b>- 814</b>	

1 The realised price gains for the first half of 2023 amounted to minus CHF thousands 207 (first half of 2022: minus CHF thousands 1'351).

#### 5 Other income

in CHF thousands	First half 2023	First half 2022	+ / - %
Net income from properties <sup>1</sup>	- 231	1'131	
Income from various services	365	- 79	
Share of income from associated companies and joint venture	5	2	182.8
Additional other income	319	5'751	- 94.5
<b>Total other income</b>	<b>459</b>	<b>6'804</b>	<b>- 93.3</b>

1 In the first half of 2023, net income from properties consisted of rental income and a revaluation loss of property (first half of 2022: rental income and profit from the sale of properties).

## 6 Personnel expenses

in CHF thousands	First half 2023	First half 2022	+ / - %
Salaries	- 82'713	- 76'812	7.7
Pension and other post-employment benefit plans	- 6'716	- 8'451	- 20.5
Other social contributions	- 9'346	- 8'552	9.3
Training costs	- 1'146	- 762	50.3
Other personnel expenses	- 1'743	- 1'623	7.4
<b>Total personnel expenses</b>	<b>- 101'664</b>	<b>- 96'201</b>	<b>5.7</b>

## 7 General and administrative expenses

in CHF thousands	First half 2023	First half 2022	+ / - %
Occupancy	- 2'923	- 2'940	- 0.6
Expenses for IT, machinery and other equipment	- 15'085	- 13'482	11.9
Information and communication expenses	- 9'918	- 9'675	2.5
Marketing and public relations	- 4'139	- 2'858	44.8
Consulting and audit fees	- 3'216	- 3'261	- 1.4
Provisions for legal and litigation risks <sup>1</sup>	3	- 521	
Litigation, legal and representation costs	- 288	- 1'300	- 77.9
Contributions to Deposit Protection Fund	- 2'689	- 2'802	- 4.0
Other general and administrative expenses	- 4'224	- 3'317	27.3
<b>Total general and administrative expenses</b>	<b>- 42'479</b>	<b>- 40'155</b>	<b>5.8</b>

<sup>1</sup> See note 12 for details

## 8 Tax expenses

in CHF thousands	First half 2023	First half 2022	+ / - %
Current taxes	- 9'693	- 18'346	- 47.2
Deferred taxes	- 4'565	6'865	
<b>Total tax expenses</b>	<b>- 14'258</b>	<b>- 11'481</b>	<b>24.2</b>

## 9 Earnings per share

	First half 2023	First half 2022	+ / - %
Net profit attributable to the shareholders of LLB (in CHF thousands)	88'585	74'119	19.5
Weighted average shares outstanding	30'643'989	30'597'283	0.2
<b>Basic earnings per share (in CHF)</b>	<b>2.89</b>	<b>2.42</b>	<b>19.3</b>
Net profit for diluted earnings per share attributable to the shareholders of LLB (in CHF thousands)	88'585	74'119	19.5
Weighted average shares outstanding for diluted earnings per share	30'796'543	30'745'641	0.2
<b>Diluted earnings per share (in CHF)</b>	<b>2.88</b>	<b>2.41</b>	<b>19.3</b>

The weighted average number of shares outstanding for the calculation of the undiluted and diluted result differs in that the share entitlements are included in the calculation of diluted earnings. There are no other factors that would lead to a dilution of earnings.



# Notes to the consolidated balance sheet and off-balance sheet transactions

## 10 Financial investments

in CHF thousands	30.06.2023	31.12.2022	+ / - %
<b>Financial investments at amortised cost</b>			
<b>Debt instruments</b>			
listed	435'640	0	
unlisted	0	519'935	- 100.0
<b>Total debt instruments</b>	<b>435'640</b>	<b>519'935</b>	<b>- 16.2</b>
<b>Total financial investments at amortised cost</b>	<b>435'640</b>	<b>519'935</b>	<b>- 16.2</b>
<b>Financial investments at fair value through profit and loss</b>			
<b>Debt instruments</b>			
listed	42'632	47'781	- 10.8
unlisted	42'392	41'894	1.2
<b>Total debt instruments</b>	<b>85'024</b>	<b>89'676</b>	<b>- 5.2</b>
<b>Equity instruments</b>			
listed	10	9	12.1
unlisted	271	263	3.1
<b>Total equity instruments</b>	<b>281</b>	<b>272</b>	<b>3.4</b>
<b>Total financial investments at fair value through profit and loss</b>	<b>85'305</b>	<b>89'947</b>	<b>- 5.2</b>
<b>Financial investments, recognised at fair value through other comprehensive income</b>			
<b>Debt instruments</b>			
listed	1'969'684	2'353'022	- 16.3
<b>Total debt instruments</b>	<b>1'969'684</b>	<b>2'353'022</b>	<b>- 16.3</b>
<b>Equity instruments</b>			
listed	203'384	191'256	6.3
unlisted	33'463	33'297	0.5
<b>Total equity instruments</b>	<b>236'847</b>	<b>224'553</b>	<b>5.5</b>
<b>Total financial investments, recognised at fair value through other comprehensive income</b>	<b>2'206'531</b>	<b>2'577'576</b>	<b>- 14.4</b>
<b>Total financial investments</b>	<b>2'727'475</b>	<b>3'187'458</b>	<b>- 14.4</b>

The equity instruments recognised at fair value through other comprehensive income consist of strategic investments of an infrastructure nature, which are unlisted (see [note 13](#)), as well as instruments of the Swiss Market Index (SMI). Short-term profit-taking is not the focus with equity instruments recognised at fair value through other comprehensive income, rather they represent a long-term position which pursues the collection of dividends and a long-term appreciation in value.

Due to adjustments in the weighting of individual securities within the SMI, the LLB also adjusted its own portfolio (previous year: no adjustments). Disposals resulted in a loss of CHF thousands 4'636. The fair value of the transactions amounted to CHF thousands 7'633. The loss was recognised directly in retained earnings.

## 11 Debt issued

in CHF thousands	30.06.2023	31.12.2022	+ / - %
Medium-term notes <sup>1</sup>	222'838	188'152	18.4
Shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions <sup>2</sup>	1'720'831	1'598'323	7.7
Bonds	401'116	401'057	0.0
<b>Total debt issued</b>	<b>2'344'785</b>	<b>2'187'532</b>	<b>7.2</b>

1 The average interest rate was 0.8 per cent as at 30 June 2023 and 0.6 per cent as at 31 December 2022.

2 The average interest rate was 1.1 per cent as at 30 June 2023 and 0.5 per cent as at 31 December 2022.

The following table provides further details on the bonds issued.

Year issued	Name	ISIN	Currency	Maturity	Effective annual interest rate in %	Nominal interest rate in %	in CHF thousands		
							Nominal value	30.06.2023	31.12.2022
2019	Liechtensteinische Landesbank AG 0.125 % Senior Preferred Anleihe 2019 – 2026	CH0419041204	CHF	28.05.2026	0.106 %	0.125 %	150'000	150'099	150'207
2019	Liechtensteinische Landesbank AG 0.000 % Senior Preferred Anleihe 2019 – 2029	CH0419041527	CHF	27.09.2029	– 0.133 %	0.000 %	100'000	100'837	100'904
2020	Liechtensteinische Landesbank AG 0.300 % Senior Preferred Anleihe 2020 – 2030	CH0536893255	CHF	24.09.2030	0.315 %	0.300 %	150'000	150'180	149'946

## 12 Provisions

in CHF thousands	Provisions for legal and litigation risks	Provisions for other business risks and restructuring	Total 2023	Total 2022
As at 1 January	6'047	7'738	13'785	12'217
Provisions applied	– 878	– 89	– 967	– 3'005
Increase in provisions recognised in the income statement	0	3'102	3'102	5'701
Decrease in provisions recognised in the income statement	– 3	– 42	– 44	– 1'033
Changes due to foreign exchange differences	– 15	– 2	– 17	– 93
<b>As at 30 June 2023 / 31 December 2022</b>	<b>5'152</b>	<b>10'707</b>	<b>15'859</b>	<b>13'785</b>

Estimates and assumptions are made to assess the amount of provisions required. This is associated with significant uncertainties regarding the occurrence of the provision events as well as their amount.

### Provisions for legal and litigation risks

The LLB Group was able to reach settlements with various parties in legal cases and accordingly utilised provisions for legal and litigation risks amounting to CHF 0.9 million for the designated purpose in the first half of 2023.

There were no contingent liabilities in connection with legal and litigation risks.

### Provisions for other business risks and restructuring

In the first half of 2023, provisions for other business risks amounting to CHF 3.1 million were allocated. The provisions relate primarily to expenses in connection with fee and commission business as well as the business location strategy for Switzerland.

## 13 Fair value measurement

### Measurement guidelines and classification in the fair value hierarchy

The fair value represents a market-based and not an entity-specific measurement. It is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date on the principal market or the most advantageous market.

Various standard market techniques and models are employed to determine fair value. As far as possible, the LLB Group uses observable input factors from active markets accessible to the company on the measurement date. The fewer the number of observable input factors that can be employed, the more assumptions and estimates have to be utilised to enable an exit price on the measurement date to be determined from the perspective of the market participant. Such assumptions and estimates contain uncertainties, which at a later date can lead to substantial changes in the fair value of financial and non-financial assets and liabilities.

All financial and non-financial assets and liabilities, which possess a fair value, are assigned to one of three levels of fair value hierarchy. It is possible that the input factors, which are used to measure the fair value of individual financial and non-financial assets and liabilities, fall into different levels of the fair value hierarchy. The classification of the financial or non-financial asset or liability in the fair value hierarchy is made to the lowest level, to which one of the significant input factors is assigned.

#### Level 1

Financial and non-financial assets and liabilities, whose prices are quoted on active markets for identical assets and liabilities and which were not calculated on the basis of valuation techniques or models for the determination of fair value.

#### Level 2

If no market price quotes are available, or if they cannot be extrapolated from active markets, the fair value is determined by means of valuation techniques or models which are based on assumptions made on the basis of observable market prices and other market quotes.

#### Level 3

Input factors are considered in the valuation techniques and models to determine the fair value, which are not observable because they are not based on market prices.

### Valuation techniques and models

Valuation techniques and models are employed to determine the fair value of financial and non-financial assets and liabilities if no market prices quoted on an active market are available. The LLB Group employs standardised and generally recognised valuation techniques and models.

The LLB Group employs the market-based approach to determine the fair value of investment funds and shares, which are not traded on an active market or which are not listed.

The income-based approach is used if payment streams or expenses and revenues with financial assets and liabilities form the basis for fair value measurement. The present value technique is used to determine the fair value by discounting the payment streams to the present value on the reporting date. Interest rate curves appropriate for the term and / or foreign currency curves, as well as spot prices form the main basis for this purpose. Forward pricing models are used in the case of futures contracts.

To determine the fair value of financial and non-financial assets and liabilities, which are classified as Level 3 positions, the LLB Group takes over the fair value determined by third parties (estimates made by experts).

The following table shows the most important valuation techniques and models together with the key input factors:

	Valuation technique / model	Inputs	Significant, non-observable inputs
<b>Level 2</b>			
Derivative financial instruments (interest rate swaps)	Income approach, present value calculation	Market price of congruent SARON interest rates, spot rates	
Derivative financial instruments (forward contracts)	Income approach, present value calculation	Market price of congruent SARON interest rates, spot rates	
Investment funds	Market approach	Market prices of underlying assets	
Equities	Market approach	Market prices of underlying assets	
SNB-Bills	Income approach, present value calculation	The underlying interest rate for the contract	
Due from banks	Income approach, present value calculation	Market price of congruent SARON interest rates	
Due to banks	Income approach, present value calculation	Market price of congruent SARON interest rates	
Loans	Income approach, present value calculation	Market price of congruent SARON interest rates	
Due to customers	Income approach, present value calculation	Market price of congruent SARON interest rates	
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions	Income approach, present value calculation	Market price of congruent SARON interest rates	
<b>Level 3</b>			
Infrastructure title	Market approach	Audited financial statements	Illiquidity, special micro-economic conditions
Investment property	External expert opinions, present value calculation	Prices of comparable properties	Assessment of special property factors, expected expenses and earnings for the property

### Valuation of assets and liabilities, classified as Level 3

The measurement process to determine the fair value of recurring and non-recurring Level 3 assets and liabilities, especially the non-observable input factors, as shown in the previous table, is explained in the following. No explanation of the interrelationships between observable and non-observable inputs is provided because these have no material influence on the measurement of fair value.

### Financial investments measured at fair value through other comprehensive income

These financial investments largely relate to unlisted shares in companies of an infrastructure nature, which offer the services necessary or beneficial for the operation of a bank. The major proportion of the portfolio consists of shares in the SIX Swiss Exchange and in the Pfandbriefbank schweizerischer Hypothekarinstitute (Swiss Mortgage Institutes). The financial investments are periodically revalued on the basis of current company data, or with the aid of external valuation models.

### Investment property

These properties are periodically valued by external experts. The assessments take into consideration such circumstances as the location and condition of the property, as well as the costs and income expected in connection with it.

### Measurement of fair values through active markets or valuation techniques

The following tables show the fair value and classification of financial and non-financial assets and liabilities of the LLB Group within the fair value hierarchy.

Positions measured at fair value are recognised on a recurring basis in the balance sheet at fair value. As at 30 June 2023, the LLB Group had no assets or liabilities which were measured at fair value on a non-

recurring basis in the balance sheet. There were no significant transfers between Level 1, Level 2 and Level 3 financial instruments in the current financial year.

in CHF thousands	30.06.2023	31.12.2022	+/- %
<b>Assets</b>			
<b>Level 1</b>			
Financial investments at fair value through profit and loss	42'642	47'790	- 10.8
Financial investments, recognised at fair value through other comprehensive income	2'173'068	2'544'278	- 14.6
Precious metal receivables	129'315	138'905	- 6.9
<b>Total financial instruments at fair value</b>	<b>2'345'025</b>	<b>2'730'973</b>	<b>- 14.1</b>
Precious metals	31'661	35'255	- 10.2
<b>Total other assets at fair value</b>	<b>31'661</b>	<b>35'255</b>	<b>- 10.2</b>
Cash and balances with central banks	6'364'040	6'264'269	1.6
Financial investments at amortised cost	428'330	0	
<b>Total financial instruments not at fair value</b>	<b>6'792'371</b>	<b>6'264'269</b>	<b>8.4</b>
<b>Total Level 1</b>	<b>9'169'056</b>	<b>9'030'497</b>	<b>1.5</b>
<b>Level 2</b>			
Derivative financial instruments	203'169	342'355	- 40.7
of which for hedging purpose	88'918	95'678	- 7.1
Financial investments at fair value through profit and loss <sup>1</sup>	42'663	42'157	1.2
<b>Total financial instruments at fair value</b>	<b>245'832</b>	<b>384'512</b>	<b>- 36.1</b>
Due from banks	375'463	255'904	46.7
Loans	14'783'516	14'319'169	3.2
Financial investments at amortised cost	0	519'935	- 100.0
<b>Total financial instruments not at fair value</b>	<b>15'158'979</b>	<b>15'095'008</b>	<b>0.4</b>
<b>Total Level 2</b>	<b>15'404'811</b>	<b>15'479'520</b>	<b>- 0.5</b>
<b>Level 3</b>			
Financial investments, recognised at fair value through other comprehensive income <sup>2</sup>	33'463	33'297	0.5
<b>Total financial instruments at fair value</b>	<b>33'463</b>	<b>33'297</b>	<b>0.5</b>
Investment property	19'483	19'510	- 0.1
<b>Total other assets at fair value</b>	<b>19'483</b>	<b>19'510</b>	<b>- 0.1</b>
<b>Total Level 3</b>	<b>52'946</b>	<b>52'807</b>	<b>0.3</b>
<b>Total assets</b>	<b>24'626'813</b>	<b>24'562'824</b>	<b>0.3</b>

1 Investment funds and equities

2 Infrastructure titles

in CHF thousands	30.06.2023	31.12.2022	+/- %
<b>Liabilities</b>			
<b>Level 1</b>			
Precious metal liabilities	159'734	173'163	- 7.8
<b>Total financial instruments at fair value</b>	<b>159'734</b>	<b>173'163</b>	<b>- 7.8</b>
Bonds	357'062	348'905	2.3
<b>Total financial instruments not at fair value</b>	<b>357'062</b>	<b>348'905</b>	<b>2.3</b>
<b>Total Level 1</b>	<b>516'796</b>	<b>522'068</b>	<b>- 1.0</b>
<b>Level 2</b>			
Derivative financial instruments	120'010	288'679	- 58.4
of which for hedging purpose	20'105	21'303	- 5.6
<b>Total financial instruments at fair value</b>	<b>120'010</b>	<b>288'679</b>	<b>- 58.4</b>
Due to banks	1'069'448	1'664'934	- 35.8
Due to customers	19'006'065	18'374'068	3.4
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions	1'857'307	1'679'779	10.6
<b>Total financial instruments not at fair value</b>	<b>21'932'820</b>	<b>21'718'781</b>	<b>1.0</b>
<b>Total Level 2</b>	<b>22'052'831</b>	<b>22'007'460</b>	<b>0.2</b>
<b>Level 3</b>			
<b>Total Level 3</b>	<b>0</b>	<b>0</b>	
<b>Total liabilities</b>	<b>22'569'626</b>	<b>22'529'528</b>	<b>0.2</b>

### Reconciliation of assets and liabilities classified as Level 3

All Level 3 positions are measured by third parties and, due to their amount, are not material. The reconciliation is therefore not shown in tabular form.

The financial investments measured at fair value through other comprehensive income rose by CHF 0.2 million in the first half of 2023. The increase in the form of unrealised gains was attributable to changes in the fair value.

The change in investment property was due solely to the change in the exchange rate of the Euro to the Swiss franc. The differences from the conversion in the reporting currency are recognised directly in other comprehensive income.

### Financial instruments not measured at fair value

The fair value hierarchy also includes details of financial assets and liabilities which are not measured on a fair value basis, but for which a fair value does exist. In addition to their inclusion in the fair value hierarchy, basically a comparison between the fair value and the carrying amount of the individual categories of financial assets and liabilities is to be disclosed.

The following table shows this comparison only for positions which are not measured at fair value, since for positions measured at fair value the carrying amount corresponds to the fair value. Due to the maturity of more than one year, the present value of certain positions is calculated on the basis of SARON interest rates with appropriate maturities. In the case of all other positions, the carrying amount represents a reasonable approximation of the fair value.

in CHF thousands	30.06.2023		31.12.2022	
	Book amount	Fair value	Book amount	Fair value
<b>Assets</b>				
Cash and balances with central banks	6'364'040	6'364'040	6'264'269	6'264'269
Due from banks <sup>1</sup>	376'132	375'463	256'594	255'904
Loans	14'856'628	14'783'516	14'435'257	14'319'169
Financial investments at amortised cost	435'640	428'330	519'935	519'935
<b>Liabilities</b>				
Due to banks	1'071'339	1'069'448	1'667'253	1'664'934
Due to customers <sup>1</sup>	19'218'401	19'006'065	18'626'585	18'374'068
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions	1'943'669	1'857'307	1'786'475	1'679'779
Bonds	401'116	357'062	401'057	348'905

1 Adjusted to consider the claims or liabilities from precious metals accounts due to the separate disclosure in the fair value hierarchy

## 14 Off-balance sheet transactions

in CHF thousands	30.06.2023	31.12.2022	+ / - %
Contingent liabilities	62'564	62'440	0.2
Credit risks	832'905	796'636	4.6
Contract volumes of derivative financial instruments	22'848'474	22'462'546	1.7
Fiduciary transactions	97'907	101'603	- 3.6
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	100'645	- 100.0

# Locations and addresses

## Headquarters

**Liechtensteinische Landesbank AG**  
Städtle 44 · P.O. Box 384 · 9490 Vaduz ·  
Liechtenstein  
Telephone + 423 236 88 11  
Internet [www.llb.li](http://www.llb.li) · E-mail [llb@llb.li](mailto:llb@llb.li)

## Branches

**Balzers**  
Höfle 5 · 9496 Balzers · Liechtenstein  
Telephone + 423 388 22 11  
E-mail [balzers@llb.li](mailto:balzers@llb.li)

## Eschen

Essanestrasse 87 · 9492 Eschen · Liechtenstein  
Telephone + 423 377 55 11  
E-mail [eschen@llb.li](mailto:eschen@llb.li)

## Representative and branch offices

**Zürich**  
Claridenstrasse 20 · 8002 Zürich · Switzerland  
Telephone + 41 58 523 91 61  
E-mail [llb@llb.li](mailto:llb@llb.li)

## Genf

12 Place de la Fusterie · 1204 Geneva ·  
Switzerland  
Telephone + 41 22 737 32 11  
E-mail [llb@llb.li](mailto:llb@llb.li)

## Salzburg

Rainerstrasse 2, Top 14 · 5020 Salzburg ·  
Austria  
Telephone +43 662 23 45 40  
E-Mail [llb@llb.at](mailto:llb@llb.at)

## Dubai

Unit C501 · Level 5 · Burj Daman DIFC  
P.O. Box 507136 · Dubai · V. A. E.  
Telephone + 971 4 383 50 00 · E-mail [llb@llb.li](mailto:llb@llb.li)

## Abu Dhabi

27<sup>th</sup> floor (CH) · H.E. Sheikh Sultan Bin Zayed  
Bld Corniche Rd. · P.O. Box 48230  
Abu Dhabi · U. A. E.  
Telephone + 971 2 665 56 66  
E-mail [llb@llb.li](mailto:llb@llb.li)

## Group companies

**Liechtensteinische Landesbank  
(Österreich) AG**  
Hessgasse 1, 1010 Vienna · Austria  
Telephone + 43 1 536 16-0  
Internet [www.llb.at](http://www.llb.at) · E-mail [llb@llb.at](mailto:llb@llb.at)

## Bank Linth LLB AG

Zürcherstrasse 3 · P.O. Box 168  
8730 Uznach · Switzerland  
Telephone + 41 844 11 44 11  
Internet [www.banklinth.ch](http://www.banklinth.ch)  
E-mail [info@banklinth.ch](mailto:info@banklinth.ch)

## LLB Asset Management AG

Städtle 7 · P.O. Box 201 · 9490 Vaduz ·  
Liechtenstein Telephone + 423 236 95 00  
Internet [www.llb.li/assetmanagement](http://www.llb.li/assetmanagement)  
E-mail [assetmanagement@llb.li](mailto:assetmanagement@llb.li)

## LLB Fund Services AG

Äulestrasse 80 · P.O. Box 1238  
9490 Vaduz · Liechtenstein  
Telephone + 423 236 94 00  
Internet [www.llb.li/fundservices](http://www.llb.li/fundservices)  
E-mail [fundservices@llb.li](mailto:fundservices@llb.li)

## LLB Swiss Investment AG

Claridenstrasse 20 · 8002 Zurich · Switzerland  
Telephone + 41 58 523 96 70  
Internet [www.llbswiss.ch](http://www.llbswiss.ch)  
E-mail [investment@llbswiss.ch](mailto:investment@llbswiss.ch)



# Imprint

Liechtensteinische Landesbank Aktiengesellschaft: hereafter also referred to as Liechtensteinische Landesbank AG, Liechtensteinische Landesbank, LLB AG, LLB and LLB parent bank. Liechtensteinische Landesbank (Österreich) AG: hereafter also referred to as LLB (Österreich) AG and LLB Österreich. Bank Linth LLB AG: hereafter also referred to as Bank Linth.

This report is published in German and English. The German edition is binding.

Due to rounding, there may be minor discrepancies in the totals and percentage calculations in this report.

To measure our performance we employ alternative financial key figures, which are not defined in the International Financial Reporting Standards (IFRS). Details can be found at [www.llb.li/investors-apm](http://www.llb.li/investors-apm).

