

Consolidated management report

Income statement

In the 2024 business year, the LLB Group earned a net profit of CHF 167.2 million, a Group business result that was 1.5 per cent higher than in the previous year (2023: CHF 164.7 million). Undiluted earnings per share stood at CHF 5.47 (2023: CHF 5.37).

Operating income in 2024 rose by 4.4 per cent to CHF 565.8 million (2023: CHF 541.8 million).

Net interest income before expected credit losses fell year-on-year by 18.4 per cent to CHF 134.1 million (2023: CHF 164.4 million). Interest income increased by 8.4 per cent to CHF 496.9 million (2023: 458.4 million). On account of the changed interest rate levels and growth in lending activity, interest income from loans to clients, in particular, increased again. In contrast, interest expense climbed by 23.4 per cent to CHF 362.8 million (2023: CHF 294.0 million). In addition to the generally higher interest rate level, reallocations to fixed-interest products also contributed to this development.

Risk provisions for expected credit losses in the 2024 business year were reduced by net CHF 9.2 million (2023: CHF 0.2 million net allocation). Settlements were reached in several long-standing legal cases enabling them to be brought to a successful close.

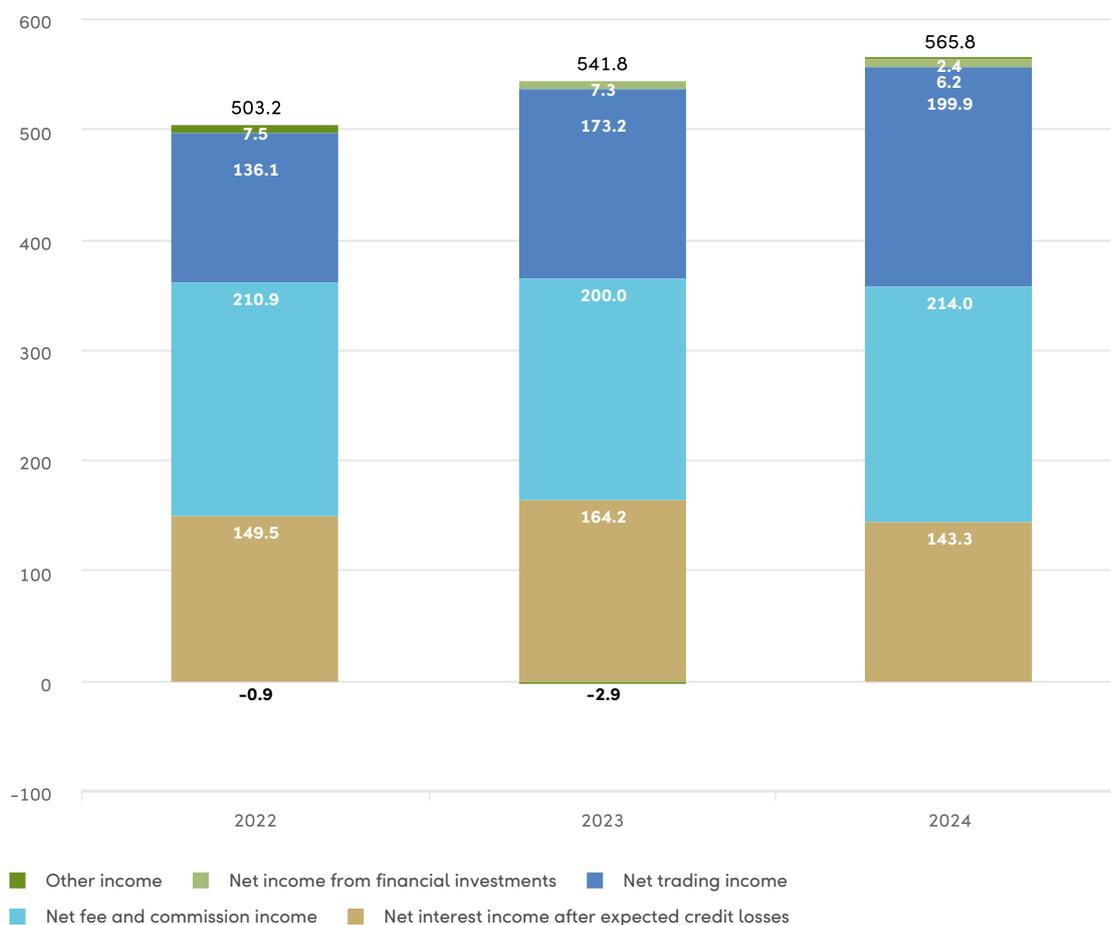
In comparison with the previous year, net fee and commission income increased by CHF 14.0 million to CHF 214.0 million (2023: CHF 200.0 million). The volume of assets held in asset management and investment advisory mandates expanded by over 14 per cent, enabling higher portfolio-dependent fees to be collected. These rose to CHF 153.3 million (2023: CHF 143.1 million). Performance fees of CHF 8.7 million contributed to the higher portfolio-dependent revenues as well. Transaction-related fees also improved, rising to CHF 60.7 million, slightly above the previous year (2023: CHF 57.0 million). Thanks to increased trading activity, net brokerage fees posted a positive result.

Net trading income climbed by 15.4 per cent to CHF 199.9 million (2023: CHF 173.2 million). Foreign exchange business was largely responsible for this growth, rising by CHF 24.3 million to CHF 196.0 million (2023: CHF 171.7 million). The LLB Group benefitted here from the investment of customer deposits in foreign currencies in Swiss franc currency swaps. The interest rate differential between foreign currencies and the Swiss franc had a positive effect. The more substantial reductions in Swiss franc interest rates relative to those of foreign currencies amplified this effect in the 2024 business year.

Income from financial investments stood at CHF 6.2 million, slightly under the previous year's level (2023: CHF 7.3 million).

Other income climbed by CHF 5.3 million to CHF 2.4 million in comparison with the previous year (2023: CHF minus 2.9 million). Several outstanding loan recoveries were achieved in 2024. Furthermore, other income in the previous year was adversely affected by market-related valuation adjustments on real estate.

Operating income (in CHF millions)



At CHF 369.5 million, operating expenses were 6.1 per cent higher than in the previous year (2023: CHF 348.4 million).

Personnel expenses rose by 12.1 per cent or CHF 25.3 million to CHF 234.7 million (2023: CHF 209.5 million). The increase in personnel expenses was in line with expectations and reflects the investments made in the implementation of the ACT-26 strategy. In line with its strategy, the LLB Group created around 70 new jobs in the last twelve months, particularly in its new three business bases in Germany and in Switzerland at the two business locations. In addition, the LLB Group further strengthened its professional expertise in the digitalisation field. Personnel expenses also increased due to inflation related salary adjustments.

At CHF 98.4 million, general and administrative expenses were 1.5 per cent lower than in the previous year (2023: CHF 99.9 million). Costs were held at a stable level in spite of the growth achieved.

Depreciation decreased by 6.8 per cent to CHF 36.4 million (2023: CHF 39.0 million). The reduction was largely attributable to the higher level of depreciation recorded in the previous year in connection with the business location strategy in Switzerland.

As expected, the Cost Income Ratio rose to 66.4 per cent (2023: 64.3 %) on account of investments made in line with strategy.

Balance sheet

The consolidated balance sheet total increased to CHF 27.8 billion (31.12.2023: CHF 25.7 billion).

Equity capital amounted to CHF 2.2 billion as at 31 December 2024 (31.12.2023: CHF 2.1 billion). The Tier 1 ratio stood at 18.8 per cent (31.12.2023: 19.8 %). The return on equity amounted to 7.7 per cent (2023: 7.9 %).

Business volume

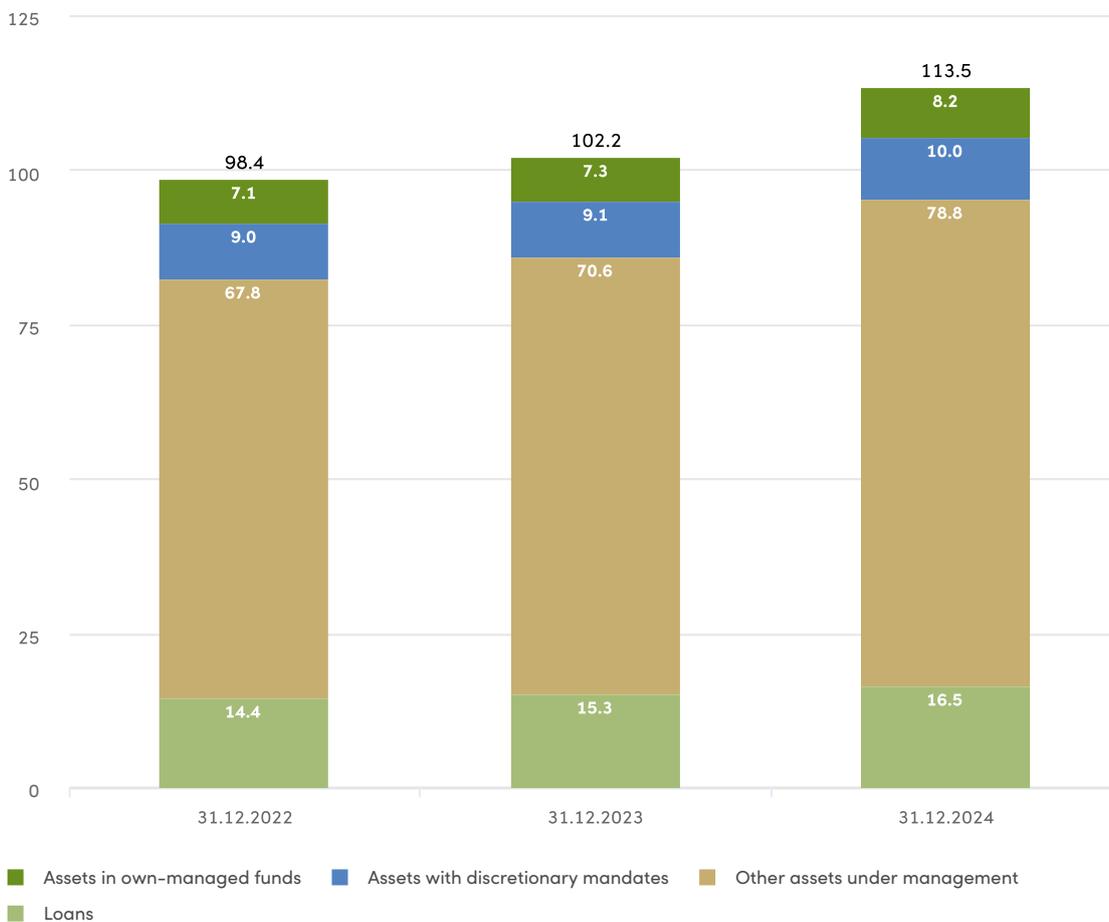
Compared to 31 December 2023, the business volume expanded by 11.0 per cent or CHF 11.3 billion to CHF 113.5 billion (31.12.2023: CHF 102.2 billion), a new record level.

In the 2024 business year, the LLB Group registered a net new money inflow of CHF 2.8 billion (2023: CHF 1.4 billion). The growth was achieved in all three booking centres as well as in the two marketing divisions and was therefore broadly based.

Thanks to the positive market performance and net new money inflows, client assets under management climbed by 11.6 per cent to CHF 97.0 billion (31.12.2023: CHF 86.9 billion).

Loans to customers climbed by 7.9 per cent to CHF 16.5 billion compared with the previous year (31.12.2023: CHF 15.3 billion), whereby mortgage loans grew by 7.3 per cent to CHF 14.8 billion (31.12.2023: CHF 13.8 billion). The largest proportion of this growth was achieved through collateral loans extended against income-generating real estate portfolios in Switzerland.

Business volume (in CHF billion)



Outlook

The business development in recent years has shown that, with its ACT-26 strategy, the LLB Group has in place a clear, forward-looking strategy which works. The LLB Group stands for the highest level of stability and security, it enjoys the full confidence of its clients and is well prepared for the future. However, the increased global insecurity will probably continue. On account of the changed market environment, a lower business result than in the previous year is expected in 2025. This is attributable to the sharply falling interest rate levels, especially in Swiss francs, as well as one-time integration costs caused by the take over of ZKB Österreich.

Consolidated income statement

in CHF thousands	Note	2024	2023	+/- %
Interest Income	1	496'874	458'383	8.4
Interest expenses	1	- 362'772	- 293'991	23.4
Net interest income	1	134'103	164'393	- 18.4
Expected credit losses		9'228	- 199	
Net interest income after expected credit losses		143'331	164'193	- 12.7
Fee and commission income	2	347'688	327'242	6.2
Fee and commission expenses	2	- 133'692	- 127'197	5.1
Net fee and commission income	2	213'996	200'045	7.0
Net trading income	3	199'854	173'171	15.4
Net income from financial investments	4	6'231	7'262	- 14.2
Other income	5	2'375	- 2'904	
Total operating income		565'788	541'768	4.4
Personnel expenses	6	- 234'715	- 209'463	12.1
General and administrative expenses	7	- 98'445	- 99'936	- 1.5
Depreciation	8	- 36'352	- 39'006	- 6.8
Total operating expenses		- 369'512	- 348'405	6.1
Operating profit before tax		196'275	193'363	1.5
Tax expenses	9	- 29'035	- 28'630	1.4
Net profit		167'240	164'733	1.5
Of which attributable to:				
Shareholders of LLB		167'106	164'570	1.5
Non-controlling interests	32	133	163	- 18.1
Earnings per share attributable to the shareholders of LLB				
Basic earnings per share (in CHF)	10	5.47	5.37	1.9
Diluted earnings per share (in CHF)	10	5.45	5.34	2.0

Consolidated statement of comprehensive income

in CHF thousands	Note	2024	2023	+/- %
Net profit		167'240	164'733	1.5
Other comprehensive income (after tax), which can be reclassified to the income statement				
Currency effects	31/32	5'132	- 20'483	
Changes in value of debt instruments, recognised at fair value through other comprehensive income		38'747	68'389	- 43.3
Reclassified (profit) / loss with debt instruments, recognised at fair value through other comprehensive income	4	0	157	- 100.0
Tax effects	24	- 5'453	- 9'689	- 43.7
Total		38'426	38'374	0.1
Other comprehensive income (after tax), which cannot be reclassified to the income statement				
Actuarial gains / (losses) of pension plans		- 20'337	- 27'127	- 25.0
Changes in value of equity instruments, recognised at fair value through other comprehensive income		9'081	6'586	37.9
Tax effects	24	3'650	3'150	15.9
Total		- 7'606	- 17'390	- 56.3
Total other comprehensive income (after tax)		30'820	20'984	46.9
Comprehensive income for the period		198'060	185'717	6.6
Of which attributable to:				
Shareholders of LLB		197'851	185'614	6.6
Non-controlling interests		209	103	102.5

Consolidated balance sheet

in CHF thousands	Note	31.12.2024	31.12.2023	+/- %
Assets				
Cash and balances with central banks	11	5'936'085	6'389'870	- 7.1
Due from banks	12	1'177'721	317'014	271.5
Loans	13	16'488'886	15'286'758	7.9
Derivative financial instruments	14	466'637	286'374	62.9
Financial investments	15	3'002'527	2'786'987	7.7
Property and equipment	16	141'284	134'016	5.4
Goodwill and other intangible assets	17	264'922	259'684	2.0
Deferred tax assets	24	10'390	7'450	39.5
Accrued income and prepaid expenses		155'569	105'995	46.8
Other assets	18	129'088	117'424	9.9
Total assets		27'773'109	25'691'573	8.1
Liabilities				
Due to banks	20	1'103'678	950'541	16.1
Due to customers	21	20'644'507	19'368'333	6.6
Derivative financial instruments	14	346'376	337'165	2.7
Debt issued	22	3'062'154	2'581'977	18.6
Current tax liabilities		30'814	37'266	- 17.3
Deferred tax liabilities	24	22'989	20'948	9.7
Accrued expenses and deferred income		114'945	76'332	50.6
Provisions	25	12'622	15'445	- 18.3
Other liabilities	26	200'341	172'913	15.9
Total liabilities		25'538'426	23'560'921	8.4
Equity				
Share capital	27	154'000	154'000	0.0
Share premium	28	- 15'127	- 15'066	0.4
Treasury shares	29	- 24'634	- 13'356	84.4
Retained earnings	30	2'226'164	2'140'361	4.0
Other reserves	31	- 106'766	- 136'250	- 21.6
Total equity attributable to shareholders of LLB		2'233'637	2'129'690	4.9
Non-controlling interests	32	1'046	962	8.7
Total equity		2'234'683	2'130'652	4.9
Total liabilities and equity		27'773'109	25'691'573	8.1

Consolidated statement of changes in equity

in CHF thousands	Note	Attributable to shareholders of LLB					Total	Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Retained earnings	Other reserves ⁴			
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					164'570	21'043	185'614	103	185'717
Net profit					164'570		164'570	163	164'733
Other comprehensive income						21'043	21'043	- 60	20'984
Reclassification not affecting the income statement ¹	30/31				- 4'241	4'241	0		0
Net movements in treasury shares ^{2/3}	28/29		- 143	- 1'715			- 1'858		- 1'858
Dividend 2022, paid 2023	30/32				- 76'654		- 76'654	- 280	- 76'934
Increase / (Reduction) in non-controlling interests	30/32				63		63	- 63	0
As at 31 December 2023		154'000	- 15'066	- 13'356	2'140'361	- 136'250	2'129'690	962	2'130'652
As at 1 January 2024		154'000	- 15'066	- 13'356	2'140'361	- 136'250	2'129'690	962	2'130'652
Comprehensive income for the period					167'106	30'745	197'851	209	198'060
Net profit					167'106		167'106	133	167'240
Other comprehensive income						30'745	30'745	76	30'820
Reclassification not affecting the income statement ¹	30/31				1'261	- 1'261	0		0
Net movements in treasury shares	28/29		- 61	- 11'278			- 11'339		- 11'339
Dividend 2023, paid 2024	30/32				- 82'565		- 82'565	- 134	- 82'699
Increase / (Reduction) in non-controlling interests	29/30/32						0	9	9
As at 31 December 2024		154'000	- 15'127	- 24'634	2'226'164	- 106'766	2'233'637	1'046	2'234'683

1 The reclassification reflects the transfer of the profit from the sale of financial investments in equity instruments (31 December 2023: loss), which were measured at fair value in other comprehensive income (see also [note 15](#)).

2 Contains change of reserves for security entitlements

3 Contains changes due to the share repurchase programme (see [note 29](#))

4 The reconciliation of currency translation differences amounted to minus CHF thousands 64'814 as at 31 December 2024 (31 December 2023: minus CHF thousands 69'875). 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	31.12.2024	31.12.2023
Cash flow from / (used in) operating activities			
Interest received		495'728	436'572
Interest paid		- 372'960	- 272'659
Fees and commission received		311'435	328'852
Fees and commission paid		- 97'760	- 131'764
Trading income		196'955	172'117
Dividends received from financial investments	4	6'939	6'535
Other income		4'240	1'856
Payments for personnel, general and administrative expenses		- 351'096	- 314'267
Income tax paid	9	- 38'790	- 10'999
Cash flow from operating activities, before changes in operating assets and liabilities		154'692	216'243
Due from / to banks		- 448'556	- 615'687
Loans / due to customers		- 71'304	- 82'073
Other assets		- 4'490	- 36'213
Other liabilities		16'660	33'797
Changes in operating assets and liabilities		- 507'690	- 700'176
Net cash flow from / (used in) operating activities		- 352'998	- 483'933
Cash flow from / (used in) investing activities			
Purchase of property and equipment	16	- 23'764	- 18'829
Disposal of property and equipment	16	96	0
Purchase of other intangible assets	17	- 20'516	- 15'193
Purchase of financial investments		- 823'989	- 933'000
Disposal of financial investments		659'701	895'430
Purchase of non-current assets held for sale		- 11'728	- 10'528
Sale of non-current assets held for sale		8'136	1'509
Net cash flow from / (used in) investing activities		- 212'064	- 80'611
Cash flow from / (used in) financing activities			
Purchase of treasury shares	29	- 14'751	- 4'463
Dividends paid	30	- 82'565	- 76'654
Dividends paid to non-controlling interests	32	- 134	- 280
Repayment of lease liabilities	23	- 6'386	- 5'644
Issuance of debt	23	380'463	354'942
Repayment of debt	23	- 135'985	- 123'098
Issuance of bonds	23	200'000	150'000
Net cash flow from / (used in) financing activities		340'642	294'802
Effects of foreign currency translation on cash and cash equivalents		31'246	- 102'789
Net increase / (decrease) in cash and cash equivalents		- 193'174	- 372'530
Cash and cash equivalents at beginning of the period		6'706'886	7'079'416
Cash and cash equivalents at end of the period		6'513'712	6'706'886
Cash and cash equivalents comprise:			
Cash and balances with central banks	11	5'936'085	6'389'870
Due from banks (due daily)	12	577'627	317'014
Total cash and cash equivalents		6'513'712	6'706'886

Accounting principles

1 Principles of accounting

1.1 Basic information

The LLB Group offers a broad spectrum of financial services. Of particular importance are asset management and investment advisory for private and institutional clients, as well as retail and corporate client businesses.

The Liechtensteinische Landesbank Aktiengesellschaft (LLB), founded in and with its registered office located in Vaduz, Principality of Liechtenstein, is the parent company of the LLB Group. It is listed on the SIX Swiss Exchange.

The Board of Directors reviewed this consolidated annual statement at its meeting on 20 February 2025 and approved it for publication.

1.2 Events after the balance sheet date

On 1 July 2024, LLB signed a purchase agreement for the acquisition of 100 per cent of the shares of Zürcher Kantonalbank Österreich AG (ZKB Österreich), which has business locations in Salzburg and Vienna. Upon payment of the agreed purchase price on 9 January 2025, LLB will take possession of 100 per cent of the shares and therefore control of ZKB Österreich. On 18 January 2025, the company was renamed LLB Bank AG. For further information see the note on [company acquisitions](#).

No other 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.

2 Summary of material accounting policies

This chapter contains the material accounting and valuation methods employed in the preparation of this consolidated financial statement. The described methods have been consistently employed for the reporting periods shown, provided no statement to the contrary is specified.

2.1 Basis for financial accounting

2.1.1 General points

Except for the revaluation of certain financial assets and liabilities, as well as of investment property, the consolidated financial statement was prepared on the basis of the historical acquisition or production cost in conformance with the International Financial Reporting Standards employed in the European Union (EU-IFRS). In addition, it meets the requirements stipulated in Article 17a of the Person and Company Law Ordinance of the Principality of Liechtenstein.

2.1.2 New IFRS, amendments and interpretations

2.1.2.1 Changes to accounting policies effective since 1 January 2024

There are no new or amended EU-IFRS or interpretations, which are of relevance to and could be applied by the LLB Group.

The constant further development and assessment of the materiality of the presented information has led to two changes in presentation in comparison with the 2023 annual report:

- ◆ In the balance sheet the position "Current tax assets" was assigned to the position "Other assets".
- ◆ In the statement of cash flows the position "Rent paid for short-term and low-value leases" was assigned to the position "Payments for personnel, general and administrative expenses".

The comparison period in the notes was adjusted accordingly.

2.1.2.2 Applicable for financial years beginning on 1 January 2025 and later

In April 2024, the International Accounting Standards Board (IASB) approved IFRS 18 "Presentation and Disclosure in Financial Statements". Provided the standard is taken over into European law, it is to be applied for the first time for financial years starting on or after 1 January 2027.

Amendments published by the IASB, but not yet taken over into European law:

- ◆ Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" – Relevant Amendments contain clarifications and additional disclosure requirements in relation to ESG characteristics with financial instruments, as well as equity instruments, which are recognised at fair value in other comprehensive income without affecting profit and loss.
- ◆ Amendments within the scope of the 11th annual improvement process

LLB will begin analysing IFRS 18 in the 2025 business year. New disclosures will be required as a result of amendments to IFRS 9 and IFRS 7. The new standards and amendments will not be applied at an earlier date subject to them being taken into European law.

2.1.3 Use of estimates in the preparation of financial statements

Management is required to make estimates and assumptions in preparing the financial statement in conformity with IFRS. These can contain significant uncertainties. These assumptions can affect individual items in income, expenses, assets and liabilities, as well as the disclosure of contingent assets and liabilities. The estimates and assumptions are based on the best information available at the time and are continually adjusted to take into consideration the latest facts and circumstances. Actual results in the future could differ substantially from such estimates and assumptions.

Significant estimates and assumptions are found principally in the following areas of the consolidated financial statement, and are dealt with partly in the explanations concerning the valuation of balance sheet positions and / or partly in the corresponding notes to the consolidated income statement in [Expected credit losses](#), [Goodwill](#), [Provisions](#), [Fair value measurement](#), as well as [Pension plans and other long-term benefits](#).

2.2 Consolidation policies

The presentation of the consolidated financial statement adopts a business perspective. The consolidation period corresponds to the calendar year.

2.2.1 Subsidiaries

LLB Group companies, in which Liechtensteinische Landesbank AG holds, directly or indirectly, the majority of the voting rights or otherwise exercises control, are fully consolidated. The chapter [Scope of consolidation](#) contains an overview of the companies, which the consolidated statement encompasses.

The capital consolidation is carried out according to the purchase method.

2.2.2 Participation in associated companies

Associated companies are recognised according to the equity method.

2.2.3 Investment in joint venture

Joint ventures, i.e. companies in which LLB has a 50 per cent participation, are recognised according to the equity method.

2.2.4 Changes to the scope of consolidation

Changes in the scope of consolidation are disclosed in the note [Scope of consolidation](#). The changes described there had no material impact.

2.3 General principles

2.3.1 Recognition and derecognition of financial assets and liabilities

Financial assets and liabilities are recognised if the LLB Group is a contracting party. Financial assets are derecognised when the rights to payment streams expire or are transferred. Financial liabilities are derecognised when they are repaid.

2.3.2 Inland versus abroad

“Inland” encompasses the Principality of Liechtenstein and Switzerland.

2.4 Foreign currency translation

2.4.1 Functional currency and reporting currency

The items contained in the financial accounts of each Group company are valued in the currency which is used in the primary business environment in which the company operates (functional currency).

The reporting currency of the LLB Group is the Swiss franc.

2.4.2 Group financial statement

Items of Group companies which report their financial accounts in a functional currency other than the Group’s reporting currency are translated as follows: all assets and liabilities are converted at the relevant exchange rate valid on the balance sheet date. All individual items in the income statement and statement of cash flows are converted at the average exchange rate for the accounting period. The differences arising from the conversions are part of comprehensive income and are recognised in other reserves within equity.

2.4.3 Separate financial statements

Foreign currency transactions are translated on the day of the transaction at spot rates into the functional currency. Foreign currency differences with financial assets and financial liabilities occur if the exchange rate prevailing on the reporting date differs from the spot rate on the transaction date. In the case of monetary items, the resulting foreign currency differences are recognised in the income statement in the position “foreign exchange trading” under net trading income. The same applies to non-monetary items, which are recognised at fair value. In the case of non-monetary items, whose fair value changes are recognised directly in other comprehensive income without affecting net income, the foreign currency difference is a part of the change in fair value. If material, the foreign currency difference is reported. The following exchange rates were employed for foreign currency conversion:

Closing Rate	31.12.2024	31.12.2023
1 USD	0.9060	0.8380
1 EUR	0.9412	0.9260

Average rate	2024	2023
1 USD	0.8807	0.8996
1 EUR	0.9526	0.9727

2.5 Cash and cash equivalents

Cash and cash equivalents include the items listed in the consolidated statement of cash flows. These largely consist of cash (see [note 11](#)), due from banks, due daily (see [note 12](#)), as well as other cash equivalents reported in the [consolidated statement of cash flows](#).

2.6 Measurement of balance sheet positions

Depending on the basis on which they are measured, balance sheet positions can be assigned to two groups: IFRS 9 relevant and IFRS 9 non-relevant. The major portion of the LLB Group’s balance sheet total is composed of balance sheet items that are measured according to IFRS 9.

2.6.1 Balance sheet positions measured according to IFRS 9 and portfolio hedge accounting according to IAS 39

2.6.1.1 Classification and measurement of financial assets

The following table provides an overview of the individual measurement methods and the assets associated with them at the LLB Group:

	Valuation method		
	Amortised cost	At fair value through other comprehensive income	At fair value through profit and loss
Assets	Cash and balances with central banks Due from banks Loans Financial investments - Debt instruments	Financial investments - Debt instruments - Equity instruments	Financial investments - Debt instruments - Equity instruments Derivative financial instruments Precious metals receivables
Conditions	"Hold" business model SPPI ability	Debt instruments - "Hold to Collect and Sell" business model - SPPI ability Equity instruments - Designation - Not held for trading purposes - No contingent consideration resulting from business combinations	"Others" business model The conditions of other valuation methods were not fulfilled

Employment within the LLB Group

Only in the case of financial investments does the management of the LLB Group determine the strategy and the respective business model for all Group companies. The business models "Hold", "Hold and Sell" and "Others" are employed. The allocation to the individual business model depends on the category to which the financial investment belongs and whether it should be held until final maturity. The LLB Group divides financial investments into two categories: "Asset & Liability Management" and "Strategic Participations".

Debt instruments in the "Asset & Liability Management" category are assigned to the "Hold" and "Hold and Sell" business models. Debt instruments in the business model "Hold" primarily collect income from interest payments. They are only disposed of if the risk of default rises significantly, if sustainability criteria are no longer fulfilled, or if scenarios occur, which, after a reasonable assessment, were not expected. Debt instruments in the business model "Hold and Sell" serve primarily to manage liquidity and therefore to control the liquidity ratio (LR), the liquidity coverage ratio (LCR) and the Tier 1 ratio. In the case of investments in new issues, the internal assessment of the SPPI criteria is compared downstream with the external assessment from Bloomberg. Where assumptions diverge and there is no conformity with SPPI criteria according to Bloomberg, management is informed accordingly. It then decides about the further treatment of the debt instruments. An external assessment is utilised in the case of instruments which are traded on a market. Old holdings, i.e. debt instruments that under IAS 39 "Financial Instruments: Recognition and Measurement" were recognised at fair value through profit and loss will continue to be measured according to this method until their disposal. These serve primarily as economic hedging instruments and therefore do not fulfil the criteria of the business models "Hold" or "Hold and Sell". They are assigned to the business model "Others".

Financial investments of the strategic participations category encompass equity instruments and investment fund units. In the case of some equity instruments that comply with the definition of equity capital securities, they are designated irrevocably for measurement at fair value in other comprehensive income. Consequently, if the instruments are sold, the unrealised gains accrued in other comprehensive income cannot be recycled. Further information is provided in [note 15](#).

The decision regarding the allocation to a business model or the appropriate designation is made at the product level.

Financial assets measured at amortised cost

- ◆ Cash and balances with central banks
These are measured at nominal value.
- ◆ Due from banks, loans and debt instruments
These claims are measured at amortised cost using the effective interest method and taking into consideration an expected credit loss (ECL). The value stated in the balance sheet therefore corresponds to a net carrying amount because the expected credit loss is recognised in the balance sheet as a reduction of the carrying amount of a receivable. For off-balance sheet items, such as a commitment, however, a provision for credit loss is reported. The off-balance sheet total is not reduced. The impairments are recognised in the income statement and reported under line item "Expected credit losses". Detailed information about expected credit losses and its calculation is provided in point 2.6.1.3 [Impairments](#). Further information can be found in the comments on risk management in risk management chapter 3 [Credit risk](#). Interest is recognised on an accrual basis and reported in [net interest income](#). In general, the LLB Group grants loans only on a collateralised basis, or only to counterparties having very high credit worthiness.

Financial assets measured at fair value through other comprehensive income

- ◆ Debt instruments
The debt instruments (corporate bonds) are measured in a two-step process. In a first step, these are measured at amortised cost using the effective interest method. Subsequently, this value is adjusted to fair value. [Note 33](#) provides information on the determination of fair value. Detailed information on expected credit losses and their calculation is disclosed in point 2.6.1.3 [Impairments](#). Further information can be found in the comments on risk management in chapter 3 [Credit risk](#). Interest is recognised on an accrual basis and reported in [net interest income](#). If the debt instrument matures or is sold before maturity, the unrealised gains or losses accumulated in other comprehensive income are recycled through the income statement and recognised in [net income from financial investments](#).
- ◆ Equity instruments
[Note 33](#) contains information about the calculation of fair value. In the case of the disposal of the equity instruments, the unrealised gains reported in the consolidated statement of comprehensive income are not reclassified in the income statement. These are reclassified in retained earnings without affecting the income statement. Dividend earnings are recognised in the income statement under [net income from financial investments](#).

Financial assets measured at fair value through profit and loss

- ◆ Receivables from precious metals
These are measured at market value through profit and loss and reported in [net trading income](#). [Note 33](#) provides information about the calculation of fair value.
- ◆ Derivative financial instruments
Derivative financial instruments are recognised as positive or negative replacement values in the balance sheet. The replacement value corresponds to the fair value. [Note 33](#) contains information about its calculation. Derivative financial instruments are held within the LLB Group for hedging and trading purposes. If the derivative financial instruments held for hedging purposes do not fulfil the strict IFRS hedge accounting criteria, changes in fair value are recognised, as with derivative financial instruments held for trading purposes, in [net trading income](#). For further information regarding hedge accounting, see the following section "Hedging accounting" and [note 14](#).
- ◆ Hedge accounting
Within the scope of risk management at the LLB Group, derivative financial instruments are employed principally to manage interest rate risk and only with counterparties having very high credit worthiness within predetermined limits. The management of interest rate risks is based on the requirements of the limits system. If these transactions fulfil the IFRS-specific hedge accounting criteria, and if these were employed as hedging instruments from a risk management perspective,

they can be shown according to hedge accounting guidelines. If these transactions do not fulfil the IFRS-specific hedge accounting criteria, they are not presented according to hedge accounting guidelines, even if from an economic point of view they represent hedging transactions and are consistent with the risk management principles of the LLB Group. The LLB Group employs portfolio fair value hedge accounting (PFVH) for fixed-interest rate interest instruments. In this case, the interest rate risks of the underlying transaction (e.g. a fixed-rate mortgage) are hedged by means of hedging instruments (e.g. an interest rate swap). The PFVH portfolios consist of a sub portfolio of hedging transactions, which is compared with a sub portfolio of underlying transactions. The interest rate risk profile of the sub portfolios is determined using an optimisation algorithm in order to achieve an optimum hedge allocation. The portfolios are designated over a hedge period of one month and are measured both retrospectively and prospectively. The effect on the income statement of the change in fair value of the hedging instrument is recognised under the same position in the income statement as the respective effect of the change in fair value of the hedged underlying. In the case of the hedging of interest rate risks at the portfolio level, the fair value change in the hedged item is recognised in the same balance sheet position as the underlying item. If fair value hedge accounting is ceased for reasons other than the derecognition of the hedged transaction, the amount, which is reported in the same balance sheet position as the underlying transaction, is amortised over the residual term of the underlying transaction in the income statement.

◆ Financial investments

Within the LLB Group, the portfolio of financial investments encompasses debt instruments and equity instruments. Debt instruments include both corporate bonds and investment fund units. The fund units represent callable instruments, which do not meet the criteria for equity instruments.

[Note 33](#) provides information about the calculation of fair value. Non-realised gains or losses are reported in [net income from financial investments](#). Interest is recognised on an accrual basis and reported in [net interest income](#). Dividends are reported directly in [net income from financial investments](#).

2.6.1.2 Classification and measurement of financial liabilities

Basically, the LLB Group's financial liabilities are classified at amortised cost. Exceptions are derivative financial instruments and liabilities from precious metals, which are classified at fair value through profit and loss.

The following table provides an overview of the individual measurement methods and the financial liabilities with which they are employed at the LLB Group.

	Valuation method	
	Amortised cost	At fair value through profit and loss
Liabilities	Due to banks Due to customers Commitments for leases Debt issued	Derivative financial instruments Precious metals liabilities

Financial liabilities measured at amortised cost

Interest is recognised on an accrual basis and reported in [net interest income](#). Effects, which arise as a result of the early disposal of the financial liability are recognised in the income statement.

Financial liabilities measured at fair value through profit and loss

[Note 33](#) contains information about the calculation of fair value. The changes in fair value are recognised in [net trading income](#); with the exception of derivatives, which are related to hedge accounting. For information regarding hedge accounting see the chapter above and [note 14](#).

2.6.1.3 Impairments

In line with IFRS 9, the LLB Group has developed and implemented an impairment model in order to quantify expected credit losses.

Governance in relation to input factors, assumptions and estimation procedures

The impairment model for the determination of the expected credit loss requires a range of input factors, assumptions and estimation procedures that are specific to the individual institute. This, in turn, necessitates the establishment of a governance process. The regular review, stipulation and approval of input factors, assumptions and estimation procedures is the responsibility of Group Management and is carried out on an ad hoc basis, but at least once a year. In addition, internal control systems at the LLB Group ensure the correct quantification of the expected loss as well as the conformance with IFRS.

Segmentation of the credit portfolio

The LLB Group segments its credit portfolio according to two criteria: by type of credit and by customer segment. The following types of credit are considered for the modelling of probability of default (PD), exposure at default (EAD) and loss given default (LGD):

- ◆ Mortgage loans
- ◆ Lombard loans
- ◆ Unsecured loans
- ◆ Financial guarantees
- ◆ Credit cards
- ◆ Bank deposits, secured
- ◆ Bank deposits, unsecured
- ◆ Financial investments
- ◆ SIC (Swiss National Bank)

In the case of the first five listed types of credit, a further differentiation is made between the customer segments private clients, corporate clients and public sector debtors. There are therefore 19 segments, which differ from each other in the modelling of the calculation parameters, to enable the LLB Group's credit portfolio to be segregated into risk groups that are as homogenous as possible.

Modelling principles and calculation parameters of expected credit losses

The calculation of the expected credit loss is based on the components probability of default, exposure at default and loss given default, whereby specific scenarios are used to determine these criteria. The most important differences in the modelling of the calculation parameters are shown in the following.

- ◆ Probability of default: The probability of default is determined differently depending on the segment. In the case of corporate clients, the ratings are based on an external scoring model where the financial statements of the corporate clients serve as a basis for the calculation of the respective ratings and probability of default. With bank and financial deposits, the ratings and probability of default are obtained from external sources (Moody's). Basically, the probability of default is calculated at the position level. One exception is the private client segment, where a global probability of default is applied for the entire private client segment. A differentiation is made only between the above-mentioned credit segments in determining the portfolio probability of default. The probabilities of default are based on internal historical default rates. A common factor with all ratings is that the probabilities of default in all cases are determined on a through-the-cycle basis, which is adjusted within the scope of macro-scenarios to take into consideration the expected economic conditions (point in time). For this purpose, in the case of private and corporate clients, the LLB Group estimates the development of interest rates as well as gross domestic product and models the impact of the expected economic development on the probabilities of default. In the case of bank and financial investments having ratings from Moody's, this agency's outlook of their future development is considered in the calculation.
- ◆ Exposure at default: Exposure at default is determined on the basis of the average amortised cost in the individual monthly period. The development of amortised cost is calculated on the basis of the initial credit exposure compounded with the effective interest, plus or minus additional inflows or outflows of resources such as amortisation payments. The average amortised cost of the individual period is extrapolated from the development resulting from integration and division by the length of the periods. The duration of the credits is in accordance with the conditions specified

in the credit agreement. In the case of credits having an unspecified duration, a model is used as basis for the calculation. The period of notice is used as a basis. Cash inflows (loan repayments) are defined on the basis of the planned amortisation payments. Cash outflows (loan increases) are dependent on the type of loan and the agreed-but-not-yet-utilised credit limit. Internal experts estimate a credit conversion factor, which is approved by the Board of Management, and is then employed to define the expected credit utilisation.

- ◆ Loss given default: Basically, there are three approaches for determining the loss given default: internal loss given default models (loans with real estate collateral), estimates made by internal experts (Lombard loans and unsecured loans) and external studies from Moody's (bank and financial deposits). In the case of loss given default models, the LGD of loans secured by mortgages is calculated on the basis of workout procedures at the position level, taking into consideration the collateral provided. In this case, all the expected future cash flows are estimated and discounted. In addition, the value of the collateral provided is modelled on the basis of the expected development of real estate prices given various scenarios.

The expected credit loss is calculated as the sum of probability of default, exposure at default and loss given default.

Credit quality level, monitoring of significant increase in credit risk (SICR) and cure period

Loans are allocated to a credit quality level. In addition to historical analysis, forward-looking factors are taken into consideration.

Historical analysis at the LLB Group considers, for example, whether the credit risk with a position has significantly increased since the beginning of the contractual term, or whether there are already payment arrears. In the event of an increase of one percentage point in the default probability, the LLB Group assumes there will be a significant increase in the credit risk. Payments more than 30 days past due are assigned to credit quality level 2; payments more than 90 days past due are assigned to credit quality level 3.

In a forward-looking test, based on the development of a customer's cash flows, it is examined whether a deterioration in the credit worthiness of the customer is to be expected in the future. Furthermore, in the case of bank and financial deposits, for example, the expectations of the rating agencies with respect to the future development of the ratings are considered in the assignment of a credit quality level for a loan. In addition, if it is unlikely that the debtor can repay his liabilities in full unless such measures as, for example, the realisation of collateral have to be implemented, the loan is assigned to the credit quality level 3.

During initial recognition, all risk-bearing positions are allocated to level 1 because no financial assets having an adverse effect on credit quality are purchased or generated.

Loans in credit quality level 2 are only reassigned to credit quality level 1 following a sustained improvement in their credit quality. The LLB Group defines a sustained improvement in credit quality as being the fulfilment of the criteria for credit quality level 1 for at least three months.

In the case of loans in credit quality level 3, the Group Recovery Department is responsible for estimating the extent of a sustained improvement in credit quality. This decision is largely guided by whether the default, as defined by the LLB Group, still exists or not. Here too, in order for a position to be returned to credit quality level 2, the criteria governing the credit quality level must have been fulfilled for at least three months.

Macro-scenarios

Three scenarios are utilised for the measurement of the expected credit loss: a basic scenario as well as a negative and a positive scenario. The probability of a credit loss occurring is the same with all three scenarios. The average value derived from these scenarios represents the final expected credit loss.

In determining the expected credit loss on the basis of the various scenarios, the LLB Group utilises the following three macro-factors, which have an influence on the creditworthiness of a debtor as well as on the value of the collateral provided for the loan:

- ◆ Gross domestic product
- ◆ Interest rate development
- ◆ Real estate price development

The impact of the macro-factors is based on estimates made by the Asset Management Division and the Risk Management Department of the LLB Group, whereby the macro-factors are regularly submitted to the Board of Management for its approval.

Definition of default, determination of creditworthiness and write-off policy

The LLB Group bases its definition of default, according to IFRS 9, on the Capital Requirements Regulation (Art. 178 CRR) in order to ensure a uniform definition for regulatory and accounting policy purposes.

The LLB Group regards the creditworthiness of a financial asset as being impaired when its recoverable amount, which is determined on the basis of a calculation of the present value, is lower than the carrying amount. The difference between the present value and the carrying amount is recognised as a specific allowance.

A debt is written off only when, in accordance with the enforcement order, there is no reasonable expectation of recovery in the future, where agreement has been reached with the debtor that LLB or a subsidiary within the LLB Group irrevocably waives a part of the debt, or where a pledge default certificate has been submitted, which enables, in spite of the write-off, the remaining debt or a part of the remaining debt to be claimed in the future. The pledge default certificate is only relevant in the case of private individuals because, following liquidation, insolvent legal entities no longer exist. A collection agency is commissioned to recover the debt.

Reporting of impairments

The LLB Group reports all impairments in the line item "Expected credit losses".

2.6.2 Balance sheet positions outside IFRS 9

2.6.2.1 Property and other equipment

At the LLB Group, property encompasses real estate, buildings and additional building costs. It is measured at cost less any impairment and depreciation necessary for operational reasons. The LLB Group owns only a few properties, which it does not use entirely itself. The part of the property it does not use itself is rented out. This part property is always immaterial and cannot be separately sold. Accordingly, the properties are not classified as investment property but rather as tangible assets.

Other equipment encompasses fixtures, furnishings, machinery and IT equipment. These items are recognised in the accounts at amortised cost.

Depreciation is carried out on a straight-line basis over the estimated useful life:

Buildings	33 years
Building supplementary costs	10 years
Fixtures, furnishings, machinery	5 years
IT equipment	3-6 years
Land	No depreciation

Small value purchases are charged directly to general and administrative expenses. In general, maintenance and renovation expenditures are booked to general and administrative expenses. If the related cost is substantial and results in an increase in value, such expenditures are capitalised and depreciated over their useful life. Profits from the sale of other equipment are reported as net income from properties in [other income](#).

Property and other equipment are reviewed for impairment on every balance sheet reporting date. If, as a result of the review, a change in the useful life and / or a necessity for an impairment is identified, the residual carrying amount is depreciated over the new adjusted useful life and / or an impairment is made. Any reversal of an impairment is only considered up to the amount which would have been attained without impairment.

2.6.2.2 Goodwill and other intangible assets

Goodwill is recognised in the balance sheet at acquisition cost in the functional currency of the taken over company on the date of acquisition and the value is reviewed and converted at the closing prices on the balance sheet reporting date. Goodwill is tested for impairment annually in the third quarter, or when events make this necessary. If impairment has occurred, an appropriate value allowance is made.

Other intangible assets are composed of client relationships, software and other intangible assets. They are recognised at cost minus necessary operating depreciation and impairments. They are reviewed for impairment on every balance sheet reporting date.

Intangible assets from acquisitions are amortised in a straight-line over an estimated useful life of five to fifteen years. In general, software is amortised over a period of three to six years. Core banking system software is amortised in a straight line over a period of up to 10 years.

Cloud computing activities are recognised by the LLB Group in the balance sheet only when certain conditions are fulfilled. In doing so, the LLB Group differentiates between licenses, service agreements and service agreements including system modifications. A license in relation to a cloud computing agreement is only recognised if a contractual right exists to take possession of the software during the hosting period without incurring a significant contractual penalty, or to install the software on LLB's own hardware, or if an external third party can be commissioned to host the software. The LLB Group recognises a cloud computing service in the balance sheet only if this qualifies as a leasing asset or as an intangible asset. System modifications are only recognised if a power of disposition exists in the cloud environment.

2.6.2.3 Current and deferred taxes

Current income tax is calculated on the basis of the tax law applicable in the individual country and recorded as expense for the accounting period in which the related income was earned. These are reported in the balance sheet as tax liabilities. If uncertainty exists about whether a tax issue will be accepted by the tax authorities, the LLB Group contacts the tax authority concerned at an early date. If a tax issue cannot be conclusively clarified before the reporting date, the LLB Group makes assumptions regarding the amount that the tax authorities will accept. In this case, the amount reported in the IFRS statement can differ from the amount shown in the income tax return.

The legal provisions relating to the implementation of the global minimum taxation of the OECD/G20 including the framework on BEPS (Global Anti-Base Erosion "GloBE" or pillar 2) have been in force since 1 January 2024 in almost all the countries in which the LLB Group is subject to taxation. Pillar 2 will become applicable for the LLB Group for the first time in the 2025 business year. Pillar 2 is not yet applicable for the LLB Group in the 2024 business year because the application requirements in relation to the turnover threshold are not fulfilled.

The purpose of pillar 2 is to ensure that by levying supplementary taxes in every country, in which the LLB Group is active, an effective taxation level of 15 per cent is attained. In Austria, Germany and Switzerland the expected, effective taxation lies above the minimum taxation level of 15 per cent stipulated by the OECD. Therefore, no supplementary taxes are expected in those countries. In Liechtenstein the expected, effective taxation rate lies under 15 per cent, so that a supplementary tax is to be expected on the profits earned in Liechtenstein. On the basis of the current estimate, the LLB Group expects that the reported effective tax rate of the Group in the 2025 business year will be one or two percentage points higher than in the 2024 business year.

Accordingly, the LLB Group will apply the temporary exception from accounting of deferred taxes, which arise in connection with the global minimum taxation, for the first time in the 2025 business year.

2.6.2.4 Employee benefits

Retirement benefit plans

The LLB Group has pension plans for its employees, which are defined according to IFRS as defined benefit plans. In addition, there are long-term service awards which qualify as other long-term employee benefits. The period costs are determined by external experts using the projected unit credit method.

Variable salary component and share-based compensation

The valuation procedure for the variable salary component is based on the degree of individual target attainment and a weighting of the Group business result over the last three years, as well as a qualitative assessment made by the Group Board of Directors, which represents the basis for the bonus pool. Depending on the management level, the weighting varies between the individual target attainment and the bonus pool.

Certain executives receive a portion of their profit-related bonus in the form of entitlements to LLB shares. Allocation is made over a period of five or six years, beginning in the subsequent year, by the transfer every year of 25 or 20 per cent of the share entitlements, provided there are no circumstances which necessitate a reclaiming of the shares.

Share-based compensation with equity instruments represents an equity transaction. The change in the inventory of entitlement shares is recognised under share premium, whereby personnel expenses serve as the off-setting item. The calculation of the fair value of the earned share entitlements at the end of the year is made on the basis of an estimate as part of the variable salary component. The number of share entitlements granted is calculated on the basis of the average of all share prices in the fourth quarter of a year.

The LLB Group holds shares in order to operate a share-based compensation system with treasury shares. The difference between the market value on the acquisition date and the market value on the date of grant is recognised in share premium.

At the same time, part of the variable cash component for the Board of Management is subject to a blocking period of up to six years (entitlement). This represents a residual obligation for the LLB Group; personnel expenses serve as an offsetting item. The cash settlement is regulated in such a way that it is not readjusted within the blocking period. Payment is made pro rata temporis, analogous to the share entitlements.

Basically, the vesting period of the share entitlements ends with the determination of the individual target achievement for the relevant business year (immediate vesting of shares). The value of the share entitlements cannot fluctuate.

2.6.2.5 Provisions and contingent liabilities

In assessing whether the allocation of a provision and its amount are reasonable, the best possible estimates and assumptions available on the balance sheet reporting date are utilised. If necessary, these are adjusted at a later date to reflect new information and circumstances.

For legal proceedings in cases where the facts are not specifically known, the claimant has not quantified the alleged damages, the proceedings are at an early stage, or where sound and substantial information is lacking, the LLB Group is not in a position to estimate reliably the approximate financial implication.

In addition, provisions are allocated for expected credit losses with off-balance-sheet positions. The expected credit loss is reported in the income statement under "expected credit losses". Credit loss forms an integral part of other business risks.

Guarantees issued lead to contingent liabilities if indeed LLB can be made jointly and severally liable for liabilities towards third parties, but it can be assumed that these liabilities will not be paid by the LLB Group. If, on the basis of the current evaluation of contingent liabilities, an outflow of economic resources in the future is probable, a provision is allocated for this position which was previously treated as a contingent liability.

2.6.2.6 Treasury shares

Shares of Liechtensteinische Landesbank AG held by the LLB Group are valued at cost of acquisition and reported as a reduction in equity. The difference between the sale proceeds and the corresponding cost of acquisition of treasury shares is recorded under share premium.

2.6.2.7 Securities lending and borrowing transactions

In the case of securities lending and borrowing transactions, the LLB Group acts only as a principal. Such transactions are undertaken only on a collateralised basis, whereby cash or securities are received or advanced as collateral (see also [note 34](#)).

Cash collateral is entered in the balance sheet as a liability to, or a claim against banks. Securities lent out remain in the trading portfolio or in the financial investments portfolio as long as the risks and rewards of ownership of the securities are retained. The securities are valued according to their classification. Borrowed securities are not recognised in the balance sheet as long as the risks and rewards of ownership remain with the lender.

Fees received or paid are accrued and recognised in net commission income.

2.7 Recognition of revenues

2.7.1 Recognition of revenues

2.7.1.1 Recognition of revenues over a specified period

Fees for securities administration which do not include variable components are typical revenues earned from fees and services that are recognised over a period at the LLB Group.

On account of the nature of the contracts at the LLB Group, a time period exists between the provision of the service and the payment by the client for it, which generally amounts to a maximum of one year. The payments made by clients are made on specific dates, usually at the end of a quarter.

The costs incurred in the provision of the service are recognised continually over the period because these are the same services that are required every day.

2.7.1.2 Recognition of revenues on a specific date

Typical revenues earned from fees and services that are recognised on a specific date include brokerage or processing fees for Visa debit cards used abroad.

In the case of services that are only delivered over a period, but the payment for them is variable and a large degree of uncertainty exists concerning the amount of the revenues, recognition of the revenues occurs only at that time when it is highly probable that no significant cancellation will occur with the recognised revenues. At the LLB Group, this situation can only arise in connection with performance-related fees (e.g. performance fees). The recognition period is generally a maximum of one year.

Costs incurred in providing a service are generally recognised at the time the service is provided.

2.7.2 Recognition

The revenues recognised from fees and services are based on the service obligations specified in the contract and the payment to be made by the client for them. The payment may contain both fixed and variable components, whereby variable payments only occur in connection with asset management and are influenced by certain threshold values. The client may have to make an additional payment if, for example, a specified return is attained or he has decided to pay a previously stipulated percentage on his assets on a previously determined date as a fee.

If discounts have been granted within the scope of combinations of several products, these can be assigned to the individual service obligations.

2.7.3 All-in fee

Clients have the possibility of paying an all-in fee in the form of a lump sum or a percentage fee of assets for a range of different services. This all-in fee is reported in [note 2](#) in a separate table. No reclassification into the corresponding line items of the individual revenue types containing the all-in fee is made because the all-in fee is assigned to the "Advisory and management fees" line item on account of its business model. The additional table provides greater transparency of how these revenues are broken down in their entirety.

Segment reporting

The business activities of the LLB Group are divided into the following 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 segments receive comprehensive support from the Corporate Center. It comprises the following functions: finance, credit and risk management, legal and compliance matters, trading and securities administration, payment services, human resources management, communication and marketing, asset management, corporate development, as well as logistics and IT services.

Following the management approach of IFRS 8 "Operating segments", 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.

Financial year 2023

in CHF thousands	Retail & Corporate Banking	International Wealth Management	Corporate Center	Total Group
Net interest income	163'145	102'632	- 101'384	164'393
Expected credit losses	166	- 321	- 45	- 199
Net interest income after expected credit losses	163'311	102'311	- 101'429	164'193
Net fee and commission income	89'542	125'184	- 14'681	200'045
Net trading income	18'590	18'448	136'133	173'171
Net income from financial investments	0	0	7'262	7'262
Other income	1'876	- 4'749	- 30	- 2'904
Total operating income ¹	273'319	241'194	27'255	541'768
Personnel expenses	- 45'430	- 47'801	- 116'232	- 209'463
General and administrative expenses	- 5'432	- 6'357	- 88'147	- 99'936
Depreciation	- 56	- 346	- 38'603	- 39'006
Services (from) / to segments	- 79'127	- 64'133	143'260	0
Total operating expenses	- 130'046	- 118'637	- 99'722	- 348'405
Operating profit before tax	143'273	122'557	- 72'467	193'363
Tax expenses				- 28'630
Net profit				164'733

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

Financial year 2024

in CHF thousands	Retail & Corporate Banking	International Wealth Management	Corporate Center	Total Group
Net interest income	191'901	85'969	- 143'767	134'103
Expected credit losses	9'258	- 15	- 15	9'228
Net interest income after expected credit losses	201'159	85'953	- 143'782	143'331
Net fee and commission income	93'619	136'323	- 15'945	213'996
Net trading income	19'219	19'144	161'491	199'854
Net income from financial investments	0	0	6'231	6'231
Other income	3'108	2'402	- 3'136	2'375
Total operating income ¹	317'106	243'822	4'860	565'788
Personnel expenses	- 56'501	- 50'601	- 127'612	- 234'715
General and administrative expenses	- 6'342	- 6'654	- 85'450	- 98'445
Depreciation	- 63	- 363	- 35'926	- 36'352
Services (from) / to segments	- 85'134	- 69'323	154'457	0
Total operating expenses	- 148'040	- 126'941	- 94'532	- 369'512
Operating profit before tax	169'066	116'882	- 89'672	196'275
Tax expenses				- 29'035
Net profit				167'240

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

There were no revenues deriving from transactions with a single external customer that amounted to ten per cent or more of the Group's revenues.

Segment reporting by geographic location

The geographic analysis of operating income and assets is based on the location of the company in which the transactions and assets are recorded.

	Liechtenstein		Switzerland		Austria		Total Group	
		in %		in %		in %		in %
31.12.2023								
Operating income (in CHF thousands)	324'419	59.9	108'040	19.9	109'310	20.2	541'768	100.0
Total assets (in CHF millions)	15'030	58.5	8'496	33.1	2'166	8.4	25'692	100.0
31.12.2024								
Operating income (in CHF thousands)	342'648	60.6	113'562	20.1	109'577	19.4	565'788	100.0
Total assets (in CHF millions)	15'970	57.5	9'113	32.8	2'690	9.7	27'773	100.0

Notes to the consolidated income statement

1 Net interest income

in CHF thousands	2024	2023	+/- %
Interest income from financial instruments measured at amortised cost			
Due from banks	126'850	136'936	- 7.4
Loans	306'532	275'959	11.1
Debt instruments	43'080	14'652	194.0
Loan commissions with the character of interest	3'197	3'085	3.6
Received negative interest	2'133	2'528	- 15.6
Total interest income from financial instruments measured at amortised cost	481'792	433'160	11.2
Interest income from financial instruments, measured at fair value through other comprehensive income			
Debt instruments	14'054	19'178	- 26.7
Total interest income from financial instruments, measured at fair value through other comprehensive income	14'054	19'178	- 26.7
Interest income from financial instruments measured at fair value through profit and loss			
Debt instruments	398	452	- 11.9
Interest rate derivatives	630	5'594	- 88.7
Total interest income from financial instruments measured at fair value through profit and loss	1'029	6'045	- 83.0
Total interest income	496'874	458'383	8.4
Interest expenses from financial instruments measured at amortised cost			
Due to banks	- 27'086	- 26'300	3.0
Due to customers	- 312'374	- 251'166	24.4
Paid negative interest	- 1'914	- 2'126	- 10.0
Lease liabilities	- 379	- 284	33.4
Debt issued	- 19'826	- 11'295	75.5
Total interest expenses from financial instruments measured at amortised cost	- 361'578	- 291'170	24.2
Interest expenses from financial instruments measured at fair value through profit and loss			
Interest rate derivatives	- 1'193	- 2'821	- 57.7
Total interest expenses from financial instruments measured at fair value through profit and loss	- 1'193	- 2'821	- 57.7
Total interest expenses	- 362'772	- 293'991	23.4
Total net interest income	134'103	164'393	- 18.4

2 Net fee and commission income

in CHF thousands	2024	2023	+/- %
Brokerage fees	39'168	38'218	2.5
Custody fees	46'877	46'203	1.5
Advisory and management fees	70'250	62'551	12.3
Investment fund fees	162'733	152'065	7.0
Credit-related fees and commissions	1'343	758	77.3
Commission income from other services	27'316	27'448	- 0.5
Total fee and commission income	347'688	327'242	6.2
Brokerage fees paid	- 7'243	- 9'380	- 22.8
Other fee and commission expenses	- 126'448	- 117'817	7.3
Total fee and commission expenses	- 133'692	- 127'197	5.1
Total net fee and commission income	213'996	200'045	7.0

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	2024	2023	+/- %
Total all-in fees	48'641	41'499	17.2
of which brokerage	16'464	16'343	0.7
of which securities administration	6'880	5'874	17.1
of which asset management	25'296	19'282	31.2

3 Net trading income

in CHF thousands	2024	2023	+/- %
Foreign exchange trading	195'961	171'658	14.2
Foreign note trading	365	- 1'018	
Precious metals trading	2'819	2'031	38.8
Interest rate instruments ¹	710	500	41.9
Total net trading income	199'854	173'171	15.4

1 The LLB Group employs interest rate swaps to hedge interest rate risks. The interest rate swaps reported here do not fulfil the approval criteria for booking as hedging transactions in accordance with IAS 39 (see also [note 14](#)).

4 Net income from financial investments

in CHF thousands	2024	2023	+/- %
Financial investments measured at amortised costs			
Realised gain	8	0	
Total net income from financial investments measured at amortised costs	8	0	
Financial investments measured at fair value through profit and loss			
Dividend income	606	589	2.9
Price gains ¹	- 716	884	
Total net income from financial investments measured at fair value through profit and loss	- 110	1'472	
Financial investments, measured at fair value through other comprehensive income			
Dividend income	6'333	5'947	6.5
of which from financial investments held on the balance sheet date	6'237	5'787	7.8
of which from financial investments sold during the reporting period ²	96	160	- 40.1
Realised gain	0	- 157	- 100.0
Total net income from financial investments, measured at fair value through other comprehensive income	6'333	5'790	9.4
Total net income from financial investments	6'231	7'262	- 14.2

1 The realised price gains for 2024 amounted to minus CHF thousands 357 (2023: minus CHF thousands 2'305).

2 Further details are provided in [note 15](#).

5 Other income

in CHF thousands	2024	2023	+/- %
Net income from properties ¹	1'942	- 1'104	
Income from various services	477	- 768	
Share of income from associated companies and joint venture	1	0	370.3
Additional other income	- 45	- 1'032	- 95.7
Total other income	2'375	- 2'904	

1 In the 2024 business year, net income from properties primarily consisted of rental income (2023: rental income and market-related revaluation adjustments of properties).

6 Personnel expenses

in CHF thousands	2024	2023	+/- %
Salaries ¹	- 192'178	- 170'546	12.7
Pension and other post-employment benefit plans ^{2/3}	- 13'893	- 13'362	4.0
Other social contributions	- 21'454	- 19'042	12.7
Training costs	- 1'854	- 1'955	- 5.2
Other personnel expenses	- 5'336	- 4'559	17.1
Total personnel expenses	- 234'715	- 209'463	12.1

1 Contains the variable compensation of the management, which is disclosed in note [Related party transactions](#).

2 See note [Pension plans and other long-term benefits](#) for details

3 Contains a positive, one-time effect of CHF 3.1 million on account of plan adjustments to the Swiss pension plans.

An overview of the employees and their employment relationship is shown in the following table:

	2024	2023
Employees		
Number of employees (full-time equivalents)	1'268	1'175
Full-time employees	1'035	963
of which apprentices	22	23
of which young talents ¹	18	13
Part-time employees	358	388

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

7 General and administrative expenses

in CHF thousands	2024	2023	+/- %
Occupancy	- 6'983	- 6'246	11.8
Expenses for IT, machinery and other equipment	- 38'916	- 35'011	11.2
Information and communication expenses	- 19'476	- 19'379	0.5
Marketing and public relations	- 13'578	- 14'610	- 7.1
Consulting and audit fees	- 10'671	- 10'594	0.7
Provisions for legal and litigation risks ¹	90	18	403.5
Litigation, legal and representation costs	- 1'215	- 1'325	- 8.2
Contributions to Deposit Protection Fund	- 1'682	- 3'096	- 45.7
Other general and administrative expenses	- 6'014	- 9'695	- 38.0
Total general and administrative expenses	- 98'445	- 99'936	- 1.5

1 See [note 25](#) for details

8 Depreciation

in CHF thousands	2024	2023	+/- %
Property	- 4'560	- 4'537	0.5
Right of use assets	- 5'627	- 7'530	- 25.3
Other equipment	- 8'636	- 10'142	- 14.8
Intangible assets	- 17'529	- 16'797	4.4
Total depreciation	- 36'352	- 39'006	- 6.8

9 Tax expenses

in CHF thousands	2024	2023	+/- %
Current taxes	- 28'504	- 24'258	17.5
Deferred taxes ¹	- 532	- 4'372	- 87.8
Total tax expenses	- 29'035	- 28'630	1.4

¹ For further details, see [note 24](#)

The actual net payments made by the LLB Group for domestic and foreign corporate profit taxes amounted to CHF 38.8 million for the 2024 financial year (previous year: CHF 11.0 million).

The tax on pre-tax Group profit deviates from the theoretical amount, calculated on the basis of the weighted average Group tax rate on profit before tax, as follows:

in CHF thousands	2024	2023	+/- %
Operating profit before tax	196'275	193'363	1.5
Assumed average income tax rate of 15.5 per cent (previous year: 13.7 %)	- 30'327	- 26'501	14.4

Increase / (Decrease) resulting from

Use of losses carried forward	0	0	
Tax savings / (charges) from previous years	1'749	- 260	
Non-tax deductible (expenses) / tax-exempt income	- 456	- 1'869	- 75.6
Total tax expenses	- 29'035	- 28'630	1.4

The assumed average tax burden is based on the weighted average tax rates of the individual Group companies. The increase in average tax burden is largely attributable to the increase in the assumed tax rate of LLB AG.

As at 31 December 2024, there were losses carried forward amounting to CHF 5 million, which were not reported as deferred tax receivables (previous year: CHF 32 million). They expire within the next four years. In general, tax losses can be carried forward for seven years in Switzerland, and indefinitely in the Principality of Liechtenstein and in Austria.

10 Earnings per share

	2024	2023	+/- %
Net profit attributable to the shareholders of LLB (in CHF thousands)	167'106	164'570	1.5
Weighted average shares outstanding	30'528'338	30'638'158	- 0.4
Basic earnings per share (in CHF)	5.47	5.37	1.9

Net profit for diluted earnings per share attributable to the shareholders of LLB (in CHF thousands)	167'106	164'570	1.5
Weighted average shares outstanding for diluted earnings per share	30'679'020	30'798'660	- 0.4
Diluted earnings per share (in CHF)	5.45	5.34	1.9

Dividend (in CHF)	2.80 ¹	2.70	
-------------------	-------------------	------	--

¹ Proposal of the Board of Directors to the General Meeting of Shareholders on 16 April 2025

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 the diluted earnings. There are no other factors that would lead to a dilution of earnings.

Notes to the consolidated balance sheet

11 Cash and balances with central banks

	31.12.2024	31.12.2023	+/- %
Cash	60'398	69'556	- 13.2
Demand deposits with central banks	5'875'687	6'320'315	- 7.0
Total cash and balances with central banks	5'936'085	6'389'870	- 7.1

12 Due from banks

in CHF thousands	31.12.2024	31.12.2023	+/- %
On demand ¹	577'627	317'014	82.2
At maturity or callable	600'094	0	
Total due from banks	1'177'721	317'014	271.5

¹ Of which receivables from precious metals measured at fair value through profit and loss amounting to CHF 99.9 million (previous year: CHF 66.6 million)

13 Loans

in CHF thousands	31.12.2024	31.12.2023	+/- %
Mortgage loans	14'809'375	13'805'657	7.3
Public institutions	106'574	115'201	- 7.5
Fixed advances and loans	1'183'433	1'024'609	15.5
Other loans and advances	450'534	414'401	8.7
Expected credit losses	- 61'031	- 73'112	- 16.5
Total loans	16'488'886	15'286'758	7.9

Further information, especially regarding the expected credit loss, is provided in risk management chapter 3 [Credit risk](#).

14 Derivative financial instruments

Interest rate swaps are concluded to hedge against interest rate fluctuation risks. In addition, derivative financial instruments are employed primarily within the scope of client business. In this case, both standardised and OTC derivatives are traded. International banks having a high creditworthiness serve as counterparties. LLB does not assume a market-maker role on the interbank market. The tables in this note contain information about the nominal value (contract volume), about the replacement values and about the hedge accounting positions.

in CHF thousands	Total				Total contract volume	
	Positive replacement values		Negative replacement values		31.12.2024	31.12.2023
	31.12.2024	31.12.2023	31.12.2024	31.12.2023		
Derivative financial instruments in the trading portfolio						
Interest rate contracts						
Interest rate swaps	0	460	2	1'088	9'412	135'000
Foreign exchange contracts						
Forward contracts	90'680	26'317	25'344	50'847	3'145'771	3'006'154
Combined interest rate / currency swaps	307'911	192'447	309'391	270'382	19'661'136	17'498'885
Options (OTC)	491	1'052	491	1'059	41'266	96'811
Precious metals contracts						
Options (OTC)	2'042	269	2'041	269	35'006	12'180
Equity / index contracts						
Options (OTC)	0	28	0	28	0	42'577
Total derivative financial instruments in the trading portfolio	401'126	220'574	337'269	323'674	22'892'591	20'791'607
Derivative financial instruments for hedging purposes						
Interest rate contracts						
Interest rate swaps (fair value hedge)	65'511	65'800	9'107	13'491	2'036'472	1'637'260
Total derivative financial instruments for hedging purposes	65'511	65'800	9'107	13'491	2'036'472	1'637'260
Total derivative financial instruments	466'637	286'374	346'376	337'165	24'929'063	22'428'867

Within the scope of fair value hedge accounting, the LLB Group employs interest rate swaps for interest rate risks on fixed-rate instruments. Ineffectiveness in highly effective hedge accounting positions occurs as a result of small mismatches in the risk profile, for example, differing payment dates or divergences in the term of the instruments amounting to a few days. Furthermore, different sensitivities in the underlying transactions and hedging instruments play a role, for example, major changes in the value of the front leg of the swap, for which there is no corresponding sensitivity in the underlying transaction. There are basic risks, which could have an influence on the effectiveness, such as different benchmark curves for the underlying and hedging transactions. In general, the LLB Group uses identical benchmark curves, however special situations such as the IBOR changeover could mean that a different approach is taken. Since the LLB Group utilises a macro hedge accounting concept, mortgage loans, medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions represent the whole population of possible hedge accounting transactions. The population corresponds to the carrying amounts of the balance sheet items of the hedged items. Of these, only a portion is designated in the hedge accounting relationship. The designation between underlying transaction and hedging instrument is carried out with the aid of an optimisation algorithm, which determines the interest risk profile of the sub-portfolios in order to attain an optimal hedge allocation.

in CHF thousands	Nominal value of hedging instrument	Carrying amount of hedging instrument		Balance sheet position of hedging instrument	Fair value change to measurement of ineffective hedge
		Assets	Liabilities		
31.12.2023					
Fair value hedge					
Interest rate swaps	1'217'260	65'800		Derivative financial instruments	- 34'266
Interest rate swaps	420'000		- 13'491	Derivative financial instruments	8'882

in CHF thousands	Nominal value of hedging instrument	Carrying amount of hedging instrument		Balance sheet position of hedging instrument	Fair value change to measurement of ineffective hedge
		Assets	Liabilities		
31.12.2024					
Fair value hedge					
Interest rate swaps	1'366'472	65'511		Derivative financial instruments	1'012
Interest rate swaps	670'000		- 9'107	Derivative financial instruments	3'983

in CHF thousands		Carrying amount of underlying transaction		Cumulative total from fair value adjustments of the underlying transaction		Balance sheet position of underlying transaction	Fair value change to measurement of ineffective hedge
		Assets	Liabilities	Assets	Liabilities		
		31.12.2023					
Fair value hedge							
Mortgage loans	13'805'657			- 37'507		Loans	38'998
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions			2'030'887		- 4'187	Debt issued	- 10'283

in CHF thousands		Carrying amount of underlying transaction		Cumulative total from fair value adjustments of the underlying transaction		Balance sheet position of underlying transaction	Fair value change to measurement of ineffective hedge
		Assets	Liabilities	Assets	Liabilities		
		31.12.2024					
Fair value hedge							
Mortgage loans	14'809'375			- 6'560		Loans	30'947
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions			2'310'300		- 38'135	Debt issued	- 33'947

in CHF thousands					Ineffectiveness recognised in the income statement	Income statement position
Fair value hedge						
Interest rate risk					3'331	Interest income
31.12.2024						
Fair value hedge						
Interest rate risk					1'996	Interest income

15 Financial investments

in CHF thousands	31.12.2024	31.12.2023	+/- %
Financial investments measured at amortised cost			
Debt instruments			
listed	1'324'216	813'599	62.8
unlisted	0	20'507	- 100.0
Total debt instruments	1'324'216	834'106	58.8
Total financial investments measured at amortised cost	1'324'216	834'106	58.8
Financial investments measured at fair value through profit and loss			
Debt instruments			
listed	2'744	24'109	- 88.6
unlisted	26'892	32'326	- 16.8
Total debt instruments	29'636	56'435	- 47.5
Equity instruments			
listed	9	10	- 8.6
unlisted	127	263	- 51.7
Total equity instruments	137	274	- 50.1
Total financial investments measured at fair value through profit and loss	29'772	56'709	- 47.5
Financial investments, measured at fair value through other comprehensive income			
Debt instruments			
listed	1'404'023	1'663'993	- 15.6
Total debt instruments	1'404'023	1'663'993	- 15.6
Equity instruments			
listed	208'095	199'062	4.5
unlisted	36'420	33'116	10.0
Total equity instruments	244'515	232'179	5.3
Total financial investments, measured at fair value through other comprehensive income	1'648'539	1'896'172	- 13.1
Total financial investments	3'002'527	2'786'987	7.7

The equity instruments recognised at fair value through other comprehensive income consist of strategic investments of an infrastructure nature, which are not exchange-listed (see [note 33](#)), as well as various equities 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.

Within the scope of the reweighting of the SMI, LLB adjusted its portfolio of equities recognised in other comprehensive income. The disposals resulted in a profit of CHF 1.3 million (previous year: loss of CHF 4.2 million). The fair value of the transactions amounted to CHF 7.1 million (previous year: CHF 9.6 million). The profit was recognised directly in retained earnings.

16 Property and other equipment

in CHF thousands	Property	Right of use assets ¹	Other equipment	Total
Year ended December 2023				
Cost as at 1 January	202'876	48'428	100'591	351'896
Additions	10'656	8'824	8'173	27'653
Disposals	- 10'306	- 9'094	- 11'770	- 31'170
Currency effects	0	- 1'132	- 301	- 1'433
Cost as at 31 December	203'226	47'027	96'693	346'947
Accumulated depreciation / impairments as at 1 January	- 124'096	- 19'689	- 74'443	- 218'229
Depreciation	- 4'537	- 5'390	- 10'142	- 20'069
Impairments	0	- 2'140	0	- 2'140
Disposals / (Additions) from accumulated depreciation	10'306	4'784	11'770	26'860
Currency effects	0	403	244	648
Accumulated depreciation / impairments as at 31 December	- 118'327	- 22'032	- 72'571	- 212'930
Carrying amount as at 31 December 2023	84'899	24'995	24'123	134'016
Year ended December 2024				
Cost as at 1 January	203'226	47'027	96'693	346'947
Additions	15'611	2'985	8'153	26'750
Disposals	- 210	- 1'889	- 5'726	- 7'826
Currency effects	0	289	84	373
Cost as at 31 December	218'627	48'413	99'204	366'244
Accumulated depreciation / impairments as at 1 January	- 118'327	- 22'032	- 72'571	- 212'930
Depreciation	- 4'560	- 5'785	- 8'636	- 18'982
(Impairments) / Reversal of impairments	0	158	0	158
Disposals / (Additions) from accumulated depreciation	114	1'164	5'664	6'943
Currency effects	0	- 89	- 59	- 148
Accumulated depreciation / impairments as at 31 December	- 122'773	- 26'585	- 75'602	- 224'959
Carrying amount as at 31 December 2024	95'854	21'828	23'602	141'284

1 The rights of use relate mainly to real estate. An immaterial proportion relates to the use of vehicles.

The LLB Group as lessee

Further details regarding leases, besides this note, are provided for the repayment of leasing liabilities (see [Statement of cash flows](#) and [note 23](#)) as well as their amounts ([note 26](#)), maturities (see [Risk management, chapter 2](#)) and interest expenses (see [note 1](#)).

The LLB Group as lessor

Future claims from operating leases

in CHF thousands	31.12.2024	31.12.2023	+/- %
Due within one year	1'253	1'255	- 0.2
Residual period to maturity between 1 and 2 years	1'114	1'112	0.3
Residual period to maturity between 2 and 3 years	1'114	1'112	0.3
Residual period to maturity between 3 and 4 years	1'082	1'112	- 2.7
Residual period to maturity between 4 and 5 years	763	1'079	- 29.3
Due in more than five years	2'278	3'028	- 24.8
Total future net receivables from operating leases	7'604	8'697	- 12.6

Income from operating leases is a part of [other income](#) and amounted to CHF thousands 1'614 (2023: CHF thousands 2'073). Properties are only leased.

17 Goodwill and other intangible assets

in CHF thousands	Goodwill	Client relationships	Software	Other intangible assets	Total
Year ended December 2023					
Cost as at 1 January	154'828	145'345	150'318	1'140	451'630
Additions	0	0	15'193	0	15'193
Disposals	0	0	- 2'506	0	- 2'506
Currency effects	- 5'211	- 4'419	- 335	- 2	- 9'968
Cost as at 31 December	149'617	140'926	162'669	1'138	454'349
Accumulated depreciation / impairments					
as at 1 January	0	- 80'983	- 99'900	- 985	- 181'868
Depreciation	0	- 5'803	- 10'848	- 130	- 16'782
Impairments	0	0	- 15	0	- 15
Disposals / (Additions) from accumulated amortisation	0	0	2'506	0	2'506
Currency effects	0	1'369	124	0	1'494
Accumulated depreciation / impairments as at 31 December	0	- 85'416	- 108'133	- 1'116	- 194'665
Carrying amount as at 31 December 2023	149'617	55'509	54'535	22	259'684
Year ended December 2024					
Cost as at 1 January	149'617	140'926	162'669	1'138	454'349
Additions	0	0	20'516	0	20'516
Disposals	0	0	- 1'820	0	- 1'820
Currency effects	1'349	1'144	100	0	2'593
Cost as at 31 December	150'966	142'070	181'464	1'138	475'638
Accumulated depreciation / impairments					
as at 1 January	0	- 85'416	- 108'133	- 1'116	- 194'665
Reclassifications	0	0	22	- 22	0
Depreciation	0	- 5'705	- 11'823	0	- 17'529
Disposals / (Additions) from accumulated amortisation	0	0	1'820	0	1'820
Currency effects	0	- 313	- 29	0	- 343
Accumulated depreciation / impairments as at 31 December	0	- 91'435	- 118'143	- 1'138	- 210'716
Carrying amount as at 31 December 2024	150'966	50'635	63'321	0	264'922

Goodwill

The LLB Group reported goodwill for the following cash generating units:

in CHF thousands	31.12.2024	31.12.2023
Segment Retail & Corporate Banking	55'620	55'620
Segment International Wealth Management ¹	95'346	93'997
Total	150'966	149'617

1 Fluctuations in goodwill are attributable to conversion of the functional currency into the reporting currency.

Goodwill impairment testing

Goodwill is tested for impairment annually in the third quarter as a basis for the annual financial reporting, and also as required. The test to determine a possible impairment compares the recoverable amount of each cash generating unit, which carries goodwill, with its balance sheet value.

On the basis of the impairment testing carried out, management reached the conclusion that for the year ended 31 December 2024, the total goodwill of CHF 151.0 million assigned to the cash generating units remains recoverable.

Recoverable amount

For determining the value in use, which corresponds to the recoverable amount of the respective cash generating units, the LLB Group employs a discounted cash flow (DCF) valuation model. It takes into consideration the special characteristics of the banking business and the financial services sector, as well as the regulatory environment. With the aid of the model, and on the basis of the financial planning approved by management, the cash value of estimated free cash flow is calculated. If regulatory capital requirements exist for the cash generating unit, these capital requirements are deducted from the estimated free cash flows for the respective period. This amount, adjusted for regulatory capital requirements, then corresponds to the theoretical sum that could be paid out to the shareholders. For the assessment of the forecasted earnings, management employs approved financial plans covering a period of five years. The results for all periods after the fifth year are extrapolated from the forecasted result and the free cash flows of the fifth year with a long-term growth rate, which corresponds to the long-term inflation rate. These are the inflation rates of Switzerland and Liechtenstein. Under certain circumstances, the growth rates may vary for the individual cash generating units because the probable developments and conditions in the respective markets are taken into account.

Assumptions

As far as possible, and when available, the parameters on which the valuation model is based are coordinated with external market information. In this context, the value in use of a cash generating unit reacts in the most sensitive manner to changes in the forecasted earnings, changes to the discount rate and changes in the long-term growth rate. The forecasted earnings are based on an economic scenario, whose input factors are the projected interest rate, currency and stock market developments, as well as the sales planning of the individual market divisions. The discount rate is determined on the basis of the capital asset pricing model (CAPM), which contains a risk-free interest rate, a market risk premium, a small cap premium, as well as factor for the systematic market risk, i.e. the beta factor.

The long-term growth rate outside the five-year planning period (terminal value), on which the impairment tests for the annual report as at 31 December 2024 were based and which were used for extrapolation purposes, as well as the discount rate for the cash generating units are shown in the table below.

in per cent	Growth rate		Discount rate	
	2024	2023	2024	2023
Segment Retail & Corporate Banking	1.5	1.5	5.5	5.5
Segment International Wealth Management	1.5	1.5	7.5	8.0

Sensitivities

All the parameters and assumptions, on which the testing of the individual cash generating units are based, are reviewed and, if necessary, adjusted during the periodic preparation and conducting of impairment tests. In order to check the effects of parameter adjustments on the value in use of the individual cash generating units, the parameters and assumptions used with the valuation model are subjected to an individual sensitivity analysis. For this purpose, the forecasted free cash flow is changed by 10 per cent, the discount rate by 10 per cent and the long-term growth rates also by 10 per cent. According to the results of the impairment tests performed, and based on the assumptions described, an amount of between CHF 106 million and CHF 590 million in excess of the balance sheet value is obtained for all cash generating units. A reduction of the free cash flow by 10 per cent, or an increase in the discount rate of 10 per cent, or a reduction in the long-term growth rate of 10 per cent would not result in any impairment of the goodwill.

Over the last five years, the parameters have remained very constant. Since a constant development of the parameters is also expected in the future, the sensitivities of 10 per cent for each of the three parameters are regarded as reasonable.

Client relationships

Client relationships are assets, which are acquired and capitalised within the scope of an acquisition. These are amortised over a period of 15 years on a straight-line basis. Estimated aggregated amortisation amounts to:

in CHF thousands	
2025	5'705
2026	5'705
2027	5'705
2028	5'705
2029	5'705
2030 and thereafter	22'109
Total	50'635

18 Other assets

in CHF thousands	31.12.2024	31.12.2023	+/- %
Precious metals holdings	73'759	68'335	7.9
Settlement accounts	17'264	16'065	7.5
Investment property ¹	19'311	19'241	0.4
Non-current assets held for sale ²	13'081	8'808	48.5
VAT and other tax receivables	5'637	4'932	14.3
Current tax assets	0	7	- 100.0
Investment in associates and joint venture	36	35	3.2
Total other assets	129'088	117'424	9.9

- Facilitate value appreciation and include properties and buildings. They are valued according to the fair value model on every balance sheet reporting date. Changes to the fair value, based on expert analyses carried out, are recognised in net income from property (see [note 5](#)).
- Several apartments were acquired within the scope of a residential construction project. In some cases, value adjustments were made for the apartments. Expenses incurred with this are part of net income from properties in other income (see [note 5](#)).

19 Assets pledged

in CHF thousands	31.12.2024		31.12.2023	
	Carrying amount	Actual liability	Carrying amount	Actual liability
Cash and balances with central banks	13'325	26'650	13'599	27'198
Due from banks	206'915	296'020	22'389	24'437
Mortgage loans	2'912'450	2'143'600	2'452'711	1'809'600
Financial investments	124'311	7'633	270'893	160'000
Receivables from customers	9'085	17'793	34'171	38'802
Total pledged / assigned assets	3'266'086	2'491'697	2'793'763	2'060'037

The mortgage loans are pledged as collateral for shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions.

The financial assets are pledged for repurchase agreements, stock exchange deposits, lombard limits at national and central banks and to secure other business activities.

20 Due to banks

in CHF thousands	31.12.2024	31.12.2023	+/- %
On demand	707'360	552'284	28.1
At maturity or callable	396'317	398'258	- 0.5
Total due to banks	1'103'678	950'541	16.1

21 Due to customers

in CHF thousands	31.12.2024	31.12.2023	+/- %
On demand ¹	13'689'875	11'844'235	15.6
At maturity or callable	4'045'893	4'756'722	- 14.9
Savings accounts	2'908'739	2'767'376	5.1
Total due to customers	20'644'507	19'368'333	6.6

- Of which liabilities from precious metals measured at fair value through profit and loss amounting to CHF 172.9 million (previous year: CHF 134.6 million)

22 Debt issued

in CHF thousands	31.12.2024	31.12.2023	+/- %
Medium-term notes ¹	171'009	217'704	- 21.4
Shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions ²	2'139'291	1'813'184	18.0
Bonds	751'855	551'090	36.4
Total debt issued	3'062'154	2'581'977	18.6

1 The average interest rate was 1.0 per cent as at 31 December 2024 (31.12.2023: 0.8 %).

2 The average interest rate was 0.9 per cent as at 31 December 2024 (31.12.2023: 0.8 %).

The following table contains further information on the bonds issued:

Year issued	Name	ISIN	Currency	Maturity	Effective annual interest rate in %	Nominal interest rate in %	in CHF thousands		
							Nominal value	31.12.2024	31.12.2023
2019	Liechtensteinische Landesbank AG 0.125% Senior Preferred Anleihe 2019 – 2026	CH0419041204	CHF	28.05.2026	0.106 %	0.125 %	150'000	150'151	150'179
2019	Liechtensteinische Landesbank AG 0.000% Senior Preferred Anleihe 2019 – 2029	CH0419041527	CHF	27.09.2029	- 0.133 %	0.000 %	100'000	100'635	100'769
2020	Liechtensteinische Landesbank AG 0.300% Senior Preferred Anleihe 2020 – 2030	CH0536893255	CHF	24.09.2030	0.315 %	0.300 %	150'000	149'992	149'968
2023	Liechtensteinische Landesbank AG 2.5 % Senior Non-Preferred Anleihe 2023 – 2030	CH1306117040	CHF	22.11.2030	2.522 %	2.500 %	150'000	150'211	150'174
2024	Liechtensteinische Landesbank AG 1.6% Senior Preferred Anleihe 2024 – 2034	CH1380910237	CHF	30.10.2034	1.581 %	1.600 %	200'000	200'866	

23 Changes to liabilities from financing activities

in CHF thousands	01.01.2023	Cash changes	Non-cash changes				Other	31.12.2023
			Changes in scope of consolidation	Changes in exchange rates	Changes in fair value			
Medium-term notes ¹	188'152	18'744	0	0	10'283	525	217'704	
Shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions ¹	1'598'323	213'100	0	0	0	1'761	1'813'184	
Bonds ¹	401'057	150'000	0	0	0	33	551'090	
Lease liabilities	29'843	- 5'644	0	0	0	3'726	27'925	
Total liabilities from financing activities	2'217'374	376'200	0	0	10'283	6'045	2'609'902	

in CHF thousands	01.01.2024	Cash changes	Non-cash changes				Other	31.12.2024
			Changes in scope of consolidation	Changes in exchange rates	Changes in fair value			
Medium-term notes ¹	217'704	- 80'522	0	0	33'947	- 120	171'009	
Shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions ¹	1'813'184	325'000	0	0	0	1'107	2'139'291	
Bonds ¹	551'090	200'000	0	0	0	765	751'855	
Lease liabilities	27'925	- 6'386	0	0	0	2'640	24'179	
Total liabilities from financing activities	2'609'902	438'092	0	0	33'947	4'392	3'086'333	

1 Part of the balance sheet position "Debt issued"

24 Deferred taxes

in CHF thousands	As at 1 January	Amount recognised in the income statement	Amount recognised in other com- prehensive income	Currency effects	From other effects (re- classifica- tions)	As at 31 December
Deferred tax assets						
2023						
Tax losses carried forward	5'208	- 5'208	0	0	0	0
Recognised rights of use from leases	115	- 42	0	0	0	73
Property and equipment	3'252	73	0	0	0	3'325
Specific allowance	0	0	0	0	0	0
Liability for pension plans	3'635	- 494	2'930	- 1	0	6'070
Intangible assets	22	2	0	0	0	25
Derivative financial instruments	- 470	- 307	0	0	0	- 777
Expected credit losses	675	125	0	0	0	800
Total	12'436	- 5'849	2'930	- 1	0	9'515
Offsetting						- 2'065
Total after offsetting						7'450
2024						
Tax losses carried forward	0	0	0	0	0	0
Recognised rights of use from leases	73	49	0	0	0	122
Property and equipment	3'325	524	0	0	0	3'849
Specific allowance	0	0	0	0	0	0
Liability for pension plans	6'070	- 907	3'670	0	0	8'833
Intangible assets	25	4	0	0	0	29
Derivative financial instruments	- 777	0	0	0	777	0
Expected credit losses	800	84	0	0	0	884
Financial investments	0	24	0	0	0	24
Total	9'515	- 222	3'670	0	777	13'741
Offsetting						- 3'351
Total after offsetting						10'390
Deferred tax liabilities						
2023						
Intangible assets	12'140	- 1'946	0	- 518	0	9'675
Financial investments	- 2'377	561	2'379	237	0	800
Property and equipment	692	- 55	0	- 38	0	599
Provisions	11'976	- 36	0	0	0	11'939
Total	22'431	- 1'477	2'379	- 319	0	23'013
Offsetting						- 2'065
Total after offsetting						20'948
2024						
Intangible assets	9'675	- 1'057	0	141	0	8'759
Financial investments	800	15	2'142	- 43	0	2'914
Derivative financial instruments	0	505	0	0	777	1'282
Property and equipment	599	91	0	6	0	696
Provisions	11'939	755	0	- 7	0	12'688
Total	23'013	310	2'142	97	777	26'339
Offsetting						- 3'351
Total after offsetting						22'989

As at 31 December 2024, there were no temporary differences which were not reported as deferred taxes and which in future could be offset with potential tax allowances (previous year: CHF thousands 0).

25 Provisions

in CHF thousands	Provisions for legal and litigation risks	Provisions for other business risks and restructuring	Total 2024	Total 2023
As at 1 January	3'302	12'143	15'445	13'785
Provisions applied	- 2'789	- 3'362	- 6'151	- 3'918
Increase in provisions recognised in the income statement	88	5'251	5'339	6'108
Decrease in provisions recognised in the income statement	- 178	- 1'988	- 2'166	- 343
Currency effects	105	49	154	- 187
As at 31 December	528	12'093	12'622	15'445

in CHF thousands	31.12.2024	31.12.2023	+/- %
Short-term provisions	3'350	9'011	- 62.8
Long-term provisions	9'272	6'434	44.1
Total	12'622	15'445	- 18.3

Estimates and assumptions are made to assess the amount of provisions required. However, this can mean that substantial uncertainties could exist in relation to the events for which provisions were allocated and their amounts.

Provisions for legal and litigation risks

The LLB Group was able to reach settlements with various parties in legal cases. As a result, it utilised specific provisions for legal and litigation risks amounting to CHF 2.8 million in the 2024 business year.

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

Provisions for other risks and restructuring measures

In the 2024 business year specific provisions for other business risks amounting to CHF 3.4 million were applied for this purpose. The provisions were utilised principally in connection with the business location strategy for Switzerland and for real estate business. In addition, new provisions were allocated in connection with a turnover tax matter and for restructuring measures.

26 Other liabilities

in CHF thousands	31.12.2024	31.12.2023	+/- %
Lease liabilities	24'179	27'925	- 13.4
Charge accounts	15'874	11'314	40.3
Accounts payable	43'716	27'569	58.6
Settlement accounts	44'586	48'115	- 7.3
Pension plans	63'514	49'326	28.8
Outstanding holidays / flexi-time	3'770	4'499	- 16.2
Other long-term benefits	4'703	4'166	12.9
Total other liabilities	200'341	172'913	15.9

27 Share capital

	31.12.2024	31.12.2023	+/- %
Number of registered shares (fully paid up)	30'800'000	30'800'000	0.0
Nominal value per registered share (in CHF)	5	5	0.0
Total nominal value (in CHF thousands)	154'000	154'000	0.0

28 Share premium

in CHF thousands	2024	2023	+/- %
As at 1 January	- 15'066	- 14'923	1.0
Net movements in treasury shares ¹	- 61	- 143	- 57.3
As at 31 December	- 15'127	- 15'066	0.4

¹ Contains a change to reserves for security entitlements and realised price gains on treasury shares.

Share entitlements at the LLB

Risk takers whose decisions have a significant impact on the bank's risk profile and other employees in selected salary models receive part of their variable salary component in form of share entitlements. The share component of the variable compensation of these employees amounts to at least 50 per cent. The variable component of compensation depends on individual target achievement and the bonus pool available.

In 2024, share entitlements of CHF 3.1 million (44'464 shares at an average price of CHF 70.28) were earned and recognised in personnel expenses. In the previous year, it was CHF 2.5 million (38'824 shares at an average price of CHF 63.68).

29 Treasury shares

	Quantity	in CHF thousands
As at 1 January 2023	179'881	11'640
Purchases	70'645	4'463
Disposals	- 42'471	- 2'748
As at 31 December 2023	208'055	13'356
Purchases	207'630	14'751
Disposals	- 53'303	- 3'472
As at 31 December 2024	362'382	24'634

The purchases relate to the [share repurchase programme](#) launched on 28 August 2023.

Sales of treasury shares represent the transfer of acquired entitlements to eligible employees of the LLB Group after a blocking period of up to six years; no cash was received. The average price per share totalled CHF 65.15 (previous year: CHF 64.70). The proportion of the total share capital transferred to employees was 0.2 per cent (previous year: 0.1 %).

30 Retained earnings

in CHF thousands	2024	2023	+/- %
As at 1 January	2'140'361	2'056'623	4.1
Net profit attributable to the shareholders of LLB	167'106	164'570	1.5
Dividends paid	- 82'565	- 76'654	7.7
Increase / (Reduction) in non-controlling interests	0	63	- 100.0
Reclassification not affecting the income statement	1'261	- 4'241	
As at 31 December	2'226'164	2'140'361	4.0

31 Other reserves

in CHF thousands	2024	2023	+/- %
As at 1 January	- 136'250	- 161'534	- 15.7
Currency effects	5'061	- 20'420	
Actuarial gains / (losses) of pension plans	- 16'667	- 24'196	- 31.1
Value changes from financial investments measured at fair value through other comprehensive income	42'351	65'659	- 35.5
Reclassification not affecting the income statement	- 1'261	4'241	
As at 31 December	- 106'766	- 136'250	- 21.6

32 Non-controlling interests

in CHF thousands	2024	2023	+/- %
As at 1 January	962	1'203	- 20.0
Currency effects	71	- 63	
Non-controlling interests in net profit	133	163	- 18.1
(Dividends paid) / Reduction of nominal value in non-controlling interests	- 134	- 280	- 52.1
Increase / (Reduction) in non-controlling interests	9	- 63	
Actuarial gains / (losses) of pension plans	0	- 0	
Value changes from financial investments measured at fair value through other comprehensive income	4	4	17.0
As at 31 December	1'046	962	8.7

33 Fair value measurement

Measurement guidelines and classification in the fair value hierarchy

The measurement of the fair value of financial and non-financial assets and liabilities is carried out using various standardised and recognised valuation methods and models. On the basis of their observable and non-observable input factors, the positions are assigned to one of the three levels of fair value hierarchy.

Level 1

Financial and non-financial assets and liabilities, whose prices are quoted for identical assets and liabilities on active markets 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 methods 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 methods and models to determine the fair value, which are not observable because they are not based on market prices.

Valuation methods 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 the fair value measurement. The present or cash value method 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 methods and models together with the key input factors:

	Valuation method / model	Inputs	Significant, non-observable inputs
Level 2			
Derivative financial instruments	Income approach, present value calculation	Market price of congruent SARON interest rates, foreign currency curves, spot rates	
Investment funds	Market approach	Market prices of underlying assets	
Equities	Market approach	Market prices of underlying assets	
Commercial Papers	Income approach, present value calculation	The underlying interest rate for the contract	
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	
Bonds	Income approach, present value calculation	Market price of congruent SARON interest rates	
Level 3			
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

Measurement of assets and liabilities, classified as Level 3

Financial investments measured at fair value through other comprehensive income

These financial investments largely relate to non-listed shares in companies having an infrastructure nature, which offer the services necessary or advantageous for the operation of a bank. The largest 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 and reassessed by third parties using valuation models, respectively.

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 revenues expected in connection with it.

Measurement of fair values through active markets or valuation methods

Positions measured at fair value are recognised on a recurring basis in the balance sheet at fair value. As at 31 December 2024, the LLB Group had no assets which were measured at fair value on a non-recurring basis in the balance sheet; the same applies to liabilities.

Transfers of positions measured at fair value, or of positions for which a fair value exists, to or from a level are generally made at the end of a period. Within the scope of a new bond issue in October 2024, the criteria for the calculation of the fair value of financial investments not measured at fair value was refined. On the basis of this refined criteria, bonds issued by LLB Group are classified as Level 2 instruments. The previous year was adjusted, the fair value is shown as Level 2. No value adjustments were made.

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

in CHF thousands	31.12.2024	31.12.2023	+/- %
Assets			
Level 1			
Financial investments measured at fair value through profit and loss	2'753	24'120	- 88.6
Financial investments, measured at fair value through other comprehensive income	1'612'118	1'863'056	- 13.5
Precious metal receivables	99'850	66'600	49.9
Total financial instruments measured at fair value	1'714'722	1'953'775	- 12.2
Precious metals holdings	73'759	68'335	7.9
Total other assets measured at fair value	73'759	68'335	7.9
Cash and balances with central banks	5'936'085	6'389'870	- 7.1
Financial investments measured at amortised cost	1'337'696	814'427	64.3
Total financial instruments not measured at fair value	7'273'781	7'204'297	1.0
Total Level 1	9'062'261	9'226'407	- 1.8
Level 2			
Derivative financial instruments	466'637	286'374	62.9
of which for hedging purpose	65'511	65'800	- 0.4
Financial investments measured at fair value through profit and loss ¹	27'020	32'589	- 17.1
Total financial instruments measured at fair value	493'656	318'963	54.8
Due from banks	1'076'823	249'471	331.6
Loans	16'932'458	15'437'166	9.7
Financial investments measured at amortised cost ²	0	20'498	- 100.0
Total financial instruments not measured at fair value	18'009'281	15'707'135	14.7
Total Level 2	18'502'938	16'026'098	15.5
Level 3			
Financial investments, measured at fair value through other comprehensive income ³	36'420	33'116	10.0
Total financial instruments measured at fair value	36'420	33'116	10.0
Investment property	19'311	19'241	0.4
Total other assets measured at fair value	19'311	19'241	0.4
Total Level 3	55'731	52'357	6.4
Total assets	27'620'930	25'304'863	9.2

- 1 Investment funds and equities
2 Commercial Papers and / or SNB-Bills
3 Infrastructure titles

in CHF thousands	31.12.2024	31.12.2023	+/- %
Liabilities			
Level 1			
Precious metal liabilities	172'857	134'550	28.5
Total financial instruments measured at fair value	172'857	134'550	28.5
Total Level 1	172'857	134'550	28.5
Level 2			
Derivative financial instruments	346'376	337'165	2.7
of which for hedging purpose	9'107	13'491	- 32.5
Total financial instruments measured at fair value	346'376	337'165	2.7
Due to banks	1'104'374	949'470	16.3
Due to customers	20'462'854	19'132'520	7.0
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions	2'373'711	2'014'082	17.9
Bonds	760'647	528'701	43.9
Total financial instruments not measured at fair value	24'701'585	22'624'773	9.2
Total Level 2	25'047'961	22'961'938	9.1
Level 3			
Total Level 3	0	0	
Total liabilities	25'220'818	23'096'488	9.2

Financial investments 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. On account of the maturity being more than one year, for specific positions a present value was calculated taking as a basis SARON interest rates appropriate for the duration of the term. In the case of all other positions, the carrying amount represents a reasonable approximation of the fair value.

in CHF thousands	31.12.2024		31.12.2023	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Assets				
Cash and balances with central banks	5'936'085	5'936'085	6'389'870	6'389'870
Due from banks ¹	1'077'871	1'076'823	250'415	249'471
Loans	16'488'886	16'932'458	15'286'758	15'437'166
Financial investments measured at amortised cost	1'324'216	1'337'696	834'106	834'924
Liabilities				
Due to banks	1'103'678	1'104'374	950'541	949'470
Due to customers ¹	20'471'650	20'462'854	19'233'782	19'132'520
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions	2'310'300	2'373'711	2'030'887	2'014'082
Bonds	751'855	760'647	551'090	528'701

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

34 Netting of financial assets and financial liabilities

In order to reduce the credit risks in relation to securities repurchasing transactions (repos) and derivatives, the LLB Group has concluded agreements with its counterparties, which permit netting. These include the Swiss Framework Agreement for Repo Transactions (multi-lateral version) and also ISDA master agreements.

The netting agreements serve to protect the LLB Group against losses arising in connection with possible insolvency proceedings and other situations. They are only employed if the counterparty cannot fulfil its commitments. Both securities (repos) and cash (derivatives) serve as collateral.

In its daily business, the LLB Group does not conduct balance sheet netting with the financial assets and financial liabilities of balance sheet transactions because the legal requirements for netting are not fulfilled.

The following table provides an overview of the financial assets and financial liabilities which are subject to an enforceable netting agreement or similar agreements.

in CHF thousands	On the balance sheet recognised amounts	Potential netting amounts		Amounts after potential netting
		Financial instruments	Financial collaterals	
31.12.2023				
Financial assets subject to off-setting, enforceable netting agreements or similar arrangements				
Reverse repurchase agreements	0	0	0	0
Positive replacement values	255'458	123'598	99'892	31'968
Total assets	255'458	123'598	99'892	31'968
Financial liabilities subject to off-setting, enforceable netting agreements or similar arrangements				
Repurchase agreements	160'084	0	160'084	0
Negative replacement values	147'106	123'598	15'154	8'354
Total liabilities	307'190	123'598	175'238	8'354
31.12.2024				
Financial assets subject to off-setting, enforceable netting agreements or similar arrangements				
Reverse repurchase agreements	600'094	0	0	600'094
Positive replacement values	137'831	101'942	13'144	22'745
Total assets	737'925	101'942	13'144	622'839
Financial liabilities subject to off-setting, enforceable netting agreements or similar arrangements				
Repurchase agreements	0	0	0	0
Negative replacement values	302'994	101'942	180'058	20'994
Total liabilities	302'994	101'942	180'058	20'994

The LLB Group also conducts securities lending and borrowing transactions as a principal. To reduce the risks associated with such transactions, Global Master Securities Lending Agreements (GMSLA) are concluded with the counterparties. Both securities and cash funds are employed as collateral.

Notes to the consolidated off-balance sheet transactions

35 Contingent liabilities

in CHF thousands	31.12.2024	31.12.2023	+/- %
Collateral guarantees and similar instruments	7'934	11'354	- 30.1
Performance guarantees and similar instruments	52'074	44'519	17.0
Total contingent liabilities	60'008	55'873	7.4

36 Credit risks

in CHF thousands	31.12.2024	31.12.2023	+/- %
Irrevocable commitments	810'214	798'190	1.5
Deposit and call liabilities	14'039	13'788	1.8
Total credit risks	824'253	811'978	1.5

37 Fiduciary transactions

in CHF thousands	31.12.2024	31.12.2023	+/- %
Fiduciary deposits with other banks	124'794	156'512	- 20.3
Other fiduciary financial transactions	2'937	2'551	15.2
Total fiduciary transactions	127'731	159'063	- 19.7

38 Lending and pension transactions with securities

The LLB has lent or pledged securities from its own possession. These are recognised in LLB's balance sheet and recorded in the table below. Furthermore, securities owned by third parties which LLB received as collateral and in some cases has repledged or resold are reported in the table. These are not recognised in LLB's balance sheet.

in CHF thousands	31.12.2024		31.12.2023	
	Carrying amount	Actual liability	Carrying amount	Actual liability
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	3'348	7'633	161'842	165'659
of which capable of being resold or further pledged without restrictions	3'348	7'633	161'842	165'659
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	604'694	600'094	0	0
of which resold or further pledged securities	0	0	0	0

Pension plans and other long-term benefits

Pension plans

Post-employment benefits

The LLB Group has established a number of pension plans, in compliance with prevailing legal provisions, which insure most employees in the event of death, invalidity and retirement. In addition, further plans exist for long-service anniversaries, which qualify as other long-term employee benefits. In the case of the pension plans, contributions are made by employees, which are then supplemented by corresponding contributions from the LLB Group. The pension schemes are financed in compliance with the local legal and fiscal regulations. The risk benefits are based on the insured salary and the pension benefits on the accumulated capital. The assets of the funded pension plans are held within separate foundations or insurances and may not revert to the employer. For the calculation of mortality, life expectancy and disability, the technical bases BVG 2020 (previous year: BVG 2020) were used for all significant pension plans. The last actuarial valuations were performed as at 31 December 2024. The actuarial gains and losses are included in other comprehensive income.

Joint committees are set up for pension plans, which are administered via collective foundations. The foundation board of the autonomous pension foundation is also composed of an equal number of employee and employer representatives. On the basis of the legal provisions and the pension plan regulations, the foundation board is obligated to act solely in the interest of the foundation and the actively insured persons and pensioners. Consequently, in this pension plan the employer itself may not decide on benefits and their financing, rather decisions must be taken on equal terms.

The foundation board is responsible for determining the investment strategy, for amendments to the pension plan regulations, and especially for the financing of the pension plan benefits. The foundation board members of the pension plans specify investment guidelines for the investment of the pension plan assets, which contain the tactical asset allocation and the benchmarks for the comparison of performance with a general investment universe. The assets of the pension plans are well diversified. With regard to diversification and security, the legal provisions of the BPVG Pension Law apply to pension plans in Liechtenstein, and the legal provisions of the BVG Pension Law apply to pension plans in Switzerland. The foundation board members continually monitor whether the selected investment strategy is suitable for the provision of the pension plan benefits and whether the risk budget corresponds to the demographic structure. The observance of the investment guidelines and the investment performance of the investment advisers are reviewed on a regular basis. In addition, the investment strategy and its suitability and effectiveness are periodically checked by an external consultant.

The pension plan is designed as a defined contribution plan, i.e. a savings account is maintained for all the retirement benefits of each employee. The annual savings contributions and interest (no negative interest is possible) are credited to the pension savings account annually. At the time of retirement, the insured person may choose between a life-long pension, which includes a reversionary spouse pension, or the withdrawal of the savings capital. In addition to the retirement benefits, the pension plan also includes invalidity and partner pensions. These are calculated on the basis of the insured annual salary (defined benefit plan). Furthermore, the insured employee may purchase improvements to his pension plan up to a maximum sum specified in the regulations. If the employee leaves the company, the savings credit balance is transferred to the new employer's pension plan or to a blocked pension savings account. When determining the benefits, the minimum provisions of the Professional Pension Plans Law (BPVG) for Liechtenstein, as well as the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) for Switzerland and their implementing ordinances are to be observed. The minimum salary to be insured and the minimum pension savings balance sum are stipulated in the BPVG and BVG. On account of the pension plan

structure and the legal provisions of the BPVG and BVG, the employer is subject to actuarial risks. The most important of these are investment risk, interest rate risk and longevity risk. The risks of death and invalidity are congruently re-insured. Currently, the individually accumulated pension capital for employees insured in Liechtenstein is converted into a life-long pension at age 65 at a pension conversion rate of 5.06 per cent. The conversion rate will gradually decrease to 4.82 per cent at age 65 by 1 January 2027. Amendments to the contribution payments made by the bank, the associated companies, or the employees require, in accordance with the regulations, the approval of the bank, the associated companies and a majority of the foundation board. The pension plans are financed through contributions made by the employer and the employees. The amount of the contributions is specified in the pension plan regulations. The employer must bear at least half of the contributions. In the event of underfunding, financial recovery contributions may be charged to both the employer and the employee to eliminate the shortfall in coverage, the employer must pay at least 50 per cent of the restructuring contributions.

The pension conversion rate for some of the pension plans in Switzerland was reduced, which led to a gain from plan adjustments of CHF 3.1 million.

The following amounts were recognised in the income statement and in equity as pension costs:

Benefit expenses

in CHF thousands	Pensions plans		Other long-term benefits	
	2024	2023	2024	2023
Defined benefit costs				
Service cost				
Current service cost	- 14'335	- 11'630	- 586	- 505
Past service cost including effects of curtailment	3'050	0	0	0
Loss from non-routine settlements	- 78	0	0	0
Total service cost	- 11'363	- 11'630	- 586	- 505
Net interest				
Interest cost on defined benefit obligation	- 8'476	- 10'942	- 80	- 95
Interest income on plan assets	7'943	10'619	0	0
Total net interest	- 533	- 323	- 80	- 95
Administration expense	- 601	- 624	0	0
Net actuarial (losses) / gains recognised	0	0	- 346	- 332
Total defined benefit cost	- 12'497	- 12'577	- 1'012	- 932
of which personnel expenses	- 12'497	- 12'577	- 1'012	- 932
of which financial expense	0	0	0	0
Contributions to defined contribution plans	- 1'396	- 785	0	0
Remeasurement of the defined benefit liability				
Actuarial (gains) / losses				
Arising from changes in demographic assumptions	1'428	0	0	0
Arising from changes in economic assumptions	- 37'679	- 40'891	29	0
Arising from experience	- 5'377	- 9'072	- 375	0
Return on plan assets (excl. amounts in interest income)	21'290	22'836	0	0
Total defined benefit cost recognised in other comprehensive income	- 20'337	- 27'127	- 346	0
Total benefit cost	- 34'230	- 40'488	- 1'358	- 932

Development of plan obligations

in CHF thousands	Pensions plans		Other long-term benefits	
	2024	2023	2024	2023
As at 1 January	581'532	506'280	4'168	3'736
Current service cost	14'335	11'630	586	505
Plan participation contributions	10'314	9'597	0	0
Interest costs	8'476	10'942	80	95
Liabilities extinguished on settlements	- 234	0	0	0
Benefits paid through pension assets	- 1'906	- 6'581	0	0
Benefits paid by employer	0	- 206	- 498	- 419
Actuarial (gains) / losses	41'628	49'963	346	333
Plan amendments	- 3'050	0	0	0
Currency effects	24	- 92	22	- 82
As at 31 December	651'119	581'532	4'704	4'168
of which active employees	467'005	409'897		
of which pensioners	184'114	171'635		
Average term of obligation	14	14		

Development of plan assets

in CHF thousands	Pension plans	
	2024	2023
As at 1 January	532'206	478'819
Plan participation contributions	10'314	9'597
Company contributions	18'670	17'540
Assets distributed on settlements	- 312	0
Interest income on plan assets	7'943	10'619
Administration expense	- 601	- 624
Benefits paid through pension assets	- 1'906	- 6'581
Return on plan assets (excl. amounts in interest income)	21'290	22'836
As at 31 December	587'604	532'206

The pension fund assets as at 31 December 2024 include shares of LLB with a market value of CHF thousands 34 (31.12. 2022: CHF thousands 25). The expected Group contributions for the 2025 financial year amount to CHF thousands 19'399 for the pension plans and CHF thousands 659 for the other long-term benefits.

Overview of net debt recognised in the balance sheet

in CHF thousands	Pension plans		Other long-term benefits	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Present value of funded obligations	649'582	580'148	0	0
Minus fair value of plan assets	587'604	532'206	0	0
Under- / (Over-)funded	61'978	47'942	0	0
Present value of unfunded obligations	1'537	1'384	4'703	4'166
Net debt recognised in the balance sheet	63'514	49'326	4'703	4'166

Asset classes

in CHF thousands	Share of total assets	
	31.12.2024	31.12.2023
Equities		
listed market prices (Level 1)	210'305	182'778
other than listed market prices	0	0
Bonds		
listed market prices (Level 1)	242'036	214'955
other than listed market prices	0	0
Real estate		
listed market prices (Level 1)	11'038	11'794
other than listed market prices / direct investments	63'848	61'446
Alternative financial investments	28'635	25'236
Qualified insurance policies	25'615	26'319
Other financial investments	630	0
Cash and cash equivalents	5'497	9'678
Total plan assets	587'604	532'206

Principal actuarial assumptions

in per cent	Pension plans		Other long-term benefits	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Discount rate	1.0	1.5	1.7	2.0
Future salary increases	1.3	2.3	1.7	2.6
Future pension indexations	0.0	0.0	0.0	0.0
Interest credit rate	1.8	1.5		
Life expectancy at the age of 65				
Year of birth	1979	1978		
men	25.2	25.1		
women	26.7	26.6		
Year of birth	1959	1958		
men	23.0	22.8		
women	24.7	24.6		

The demographic assumptions correspond to those for the year 2024 based on BVG 2020.

Sensitivity analysis of significant actuarial assumptions

The following sensitivity analysis for the significant actuarial assumptions, on which calculations are based, shows how the cash value of pension obligations would change on the balance sheet date on account of a possible change in the actuarial assumptions. Only the listed assumption changes, all other assumptions remain unchanged.

in CHF thousands	Pension plans			
	31.12.2024		31.12.2023	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Discount rate	- 22'114	22'853	- 19'550	20'818
Salary increase	2'132	- 1'858	1'892	- 1'853
Interest credit rate	6'204	- 5'477	5'114	- 4'997
in CHF thousands	+ 1 year	- 1 year	+ 1 year	- 1 year
Life expectancy	12'505	- 13'143	11'314	- 11'525

Related party transactions

Related parties

The LLB Group is controlled by the Principality of Liechtenstein, which holds 56.3 per cent of the registered shares of Liechtensteinische Landesbank AG, Vaduz (previous year: 56.3 %). The shareholder group, consisting of the Haselsteiner Familien-Privatstiftung and grosso Holding Gesellschaft mbH, holds 5.9 per cent of the registered shares (previous year: 5.9 %) and the UBS Fund Management (Switzerland) AG more than 3 per cent. The threshold of 3 per cent was exceeded due to the absorption fusion of Credit Suisse Funds AG and UBS Fund Management (Switzerland) AG in 2024. At the end of the year under report, LLB held 1.2 per cent of its own shares (previous year: 0.7 %) and 0.4 per cent were held by members of the Board of Directors and the Board of Management (previous year: 0.4 %). The remaining registered shares are owned by the general public.

The related parties of the LLB Group comprise the Principality of Liechtenstein, associated companies, members of the Board of Directors and the Board of Management, as well as their close family members and companies, in which these individuals are part of the company management, either through their majority shareholding or through their function, as well as own pension funds.

Within the scope of its business activity, the LLB Group also conducts banking transactions with related parties. These transactions mainly involve loans, investments and services. The volumes of these transactions, the holdings and corresponding income and expenses are shown below. For information regarding important business transactions with the Principality of Liechtenstein reference is made to [note 8](#) in the separate financial statement of LLB AG.

See [Scope of consolidation](#) for a detailed list of the intercompany relationships of the LLB Group.

Compensation of key management personnel

in CHF thousands	Fixed compensation		Variable compensation		Entitlements ¹		Contribution to benefit plans and other social contributions		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Members of the Board of Directors										
Georg Wohlwend, Chairman	300	300	0	0	40	40	88	86	428	426
Gabriela Nagel, Vice Chairwoman until 5 May 2023 ²		42		0		10		6		58
Richard Senti, Vice Chairman since 5 May 2023 ²	125	117	0	0	30	27	12	11	167	155
Nicole Brunhart, Member since 5 May 2023 ²	68	45	0	0	20	13	5	3	93	61
Leila Frick-Marxer, Member	65	65	0	0	20	20	5	5	90	90
Urs Leinhäuser, Member until 5 May 2023 ^{2/3}		31		0		7		0		38
Thomas Russenberger, Member	80	75	0	0	20	20	8	7	108	102
Karl Sevelda, Member	64	64	0	0	20	20	0	0	84	84
Christian Wiesendanger, Member since 5 May 2023 ²	68	45	0	0	20	13	5	3	93	61
Total	770	784	0	0	170	170	124	121	1'063	1'075
Members of the Board of Management										
Gabriel Brenna, Group CEO	921	870	221	207	331	311	244	239	1'717	1'627
Other members of the Board of Management	2'404	2'329	572	486	859	729	867	803	4'702	4'347
Total	3'325	3'199	793	693	1'189	1'040	1'111	1'042	6'418	5'974

- The members of the Board of Directors receive a portion of their fixed compensation in the form of entitlements. With the members of the Executive Management, 60 per cent of the variable compensation consists of entitlements, which contain shares and, since 2023, also a cash component. The total compensation comprises the total of the fixed and variable compensation plus the entitlements.
- On 5 May 2023, Gabriela Nagel and Urs Leinhäuser stepped down from the Board of Directors due to the term of office limitation rule. In their place, the General Meeting of Shareholders elected Nicole Brunhart and Christian Wiesendanger for a first term of office of three years. Richard Senti took over the office of Vice Chair from Gabriela Nagel.
- The compensation was paid to Adulco GmbH.

Loans to key management personnel and related parties

in CHF thousands	Fixed mortgages		Variable mortgages		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Members of the Board of Directors ¹						
Georg Wohlwend, Chairman	0	0	0	0	0	0
Richard Senti, Vice Chairman since 5 May 2023	198	198	472	473	670	671
Nicole Brunhart, Member since 5 May 2023	0	0	0	0	0	0
Leila Frick-Marxer, Member	0	0	0	0	0	0
Thomas Russenberger, Member	0	0	0	0	0	0
Karl Sevelda, Member	0	0	0	0	0	0
Christian Wiesendanger, Member since 5 May 2023	0	0	0	0	0	0
and related parties	0	0	0	0	0	0
Total	198	198	472	473	670	671
Members of the Board of Management						
Gabriel Brenna, Group CEO	0	0	0	0	0	0
Other members of the Board of Management	1'910	1'910	0	0	1'910	1'910
and related parties	0	0	0	0	0	0
Total	1'910	1'910	0	0	1'910	1'910

- On 5 May 2023, Gabriela Nagel and Urs Leinhäuser stepped down from the Board of Directors due to the term of office limitation rule. In their place, the General Meeting of Shareholders elected Nicole Brunhart and Christian Wiesendanger for a first term of office of three years. Richard Senti took over the office of Vice Chair from Gabriela Nagel.

All mortgage loans to members of management in key positions and related parties are fully secured.

At 31 December 2024, the maturities of the fixed mortgages for the members of the Board of Directors and related parties ranged between 15 and 25 months (previous year: between 27 and 37 months) at standard market client interest rates of 1.02 to 1.05 per cent per annum (previous year: 1.02 to 1.05 %).

At 31 December 2024, the maturities of variable mortgages for members of the Board of Directors and related parties extended to a maximum of 0 months (previous year: 3 months) at standard market client interest rates of 2.01 per cent per annum (previous year: 2.51). Following expiry, these are extended for a further 3 months providing they are not revoked.

At 31 December 2024, the maturities of fixed mortgages for members of the Board of Management ranged between 0 and 88 months (previous year: between 6 and 100 months) at interest rates of 1.05 to 1.80 per cent per annum (previous year: 0.81 to 1.80 %).

Of the total amount of mortgages for the members of the Board of Management, CHF thousands 1'000 (previous year: CHF thousands 1'100) was granted at the preferential interest rate for staff, the remainder was subject to the standard market client interest rate. No other loans were issued to the Board of Management (previous year: none).

No allowances for loans and other credit lines to management were necessary. LLB granted no guarantees to management or related parties (previous year: none).

Transactions with key management personnel and related parties

in CHF thousands	2024	2023	+/- %
Loans			
As at 1 January	2'581	2'779	- 7.1
Loans issued / changes to management and related parties	0	202	- 100.0
Loan repayments / changes to management and related parties	- 1	- 400	- 99.9
As at 31 December	2'580	2'581	- 0.0
Deposits			
As at 1 January	8'412	13'049	- 35.5
Change	1'446	- 4'637	
As at 31 December	9'858	8'412	17.2
Income and expenses			
Interest income	42	37	12.9
Interest expenses	- 119	- 50	139.1
Other income ¹	35	19	82.8
Other expenses	- 0	0	
Total	- 42	7	

¹ Mainly net fee and commission income

Transactions with related companies

in CHF thousands	2024	2023	+/- %
Loans			
As at 1 January	99'472	1'503	
Change	- 10'425	97'970	
As at 31 December	89'048	99'472	- 10.5
Deposits			
As at 1 January	10'570	9'617	9.9
Change	- 3'099	953	
As at 31 December	7'471	10'570	- 29.3
Income and expenses			
Interest income	3'564	3'063	16.4
Interest expenses	- 327	- 193	69.4
Other income	21	4	434.0
Other expenses	- 37	- 30	24.7
Total	3'221	2'844	13.2

The LLB Group has not issued guarantees to third parties for related parties (previous year: none). No irrevocable credit commitment exists (previous year: none). There are no claims relating to derivative financial instruments (previous year: CHF thousands 118). An acceptance obligation for private equity amounting to EUR 5 million exists. The current proportion of private equity amounts to CHF 3.3 million (previous year: CHF 2.2 million).

Transactions with own pension funds

in CHF thousands	2024	2023	+/- %
Loans			
As at 1 January	0	0	
Change	1	0	
As at 31 December	1	0	
Deposits			
As at 1 January	4'416	9'726	- 54.6
Change	3'526	- 5'309	
As at 31 December	7'942	4'416	79.9
Income and expenses			
Interest income	2	0	
Interest expenses	- 38	- 53	- 28.5
Other income ¹	1'015	899	12.8
Other expenses	0	0	
Total	979	846	15.7

¹ Mainly earnings from commissions and fees.

No guarantees have been granted by the LLB Group for third parties on behalf of own pension funds (previous year: none).

The LLB pension fund has transacted swaps to hedge against interest rate and currency risks. Claims exist from derivative financial instruments amounting to CHF thousands 3'531 (previous year: none) and no liabilities (previous year: CHF thousands 3'658) against the own pension fund.

Scope of consolidation

Company	Registered office	Business activity	Currency	Capital Stock	Equity interest (in %)	
					IFRS	Legal
Fully consolidated companies						
Liechtensteinische Landesbank Aktiengesellschaft	Vaduz (FL)	Bank	CHF	154'000'000	100.0	100.0
Liechtensteinische Landesbank (Österreich) AG	Vienna (AT)	Bank	EUR	5'000'000	100.0	100.0
LLB (Schweiz) AG	Uznach (CH)	Bank	CHF	16'108'060	100.0	100.0
LLB Asset Management Aktiengesellschaft	Vaduz (FL)	Asset management company	CHF	1'000'000	100.0	100.0
LLB Beteiligungs GmbH	Vienna (AT)	Investment company	EUR	35'000	100.0	100.0
LLB Fund Services Aktiengesellschaft	Vaduz (FL)	Fund management company	CHF	2'000'000	100.0	100.0
LLB Holding AG	Uznach (CH)	Holding company	CHF	95'328'000	100.0	100.0
LLB Immo Kapitalanlagegesellschaft m.b.H.	Vienna (AT)	Investment company	EUR	5'000'000	94.9	94.9
LLB Invest AGmVK	Vaduz (FL)	Investment company	CHF	65'000	100.0	100.0
LLB Invest Kapitalanlagegesellschaft m.b.H.	Vienna (AT)	Investment company	EUR	2'300'000	100.0	100.0
LLB Realitäten GmbH	Vienna (AT)	Real estate trust company	EUR	35'000	100.0	100.0
LLB Services (Schweiz) AG	Zurich (CH)	Service company	CHF	100'000	100.0	100.0
LLB Swiss Investment AG	Zurich (CH)	Fund management company	CHF	8'000'000	100.0	100.0
LLB Verwaltung (Schweiz) AG	Uznach (CH)	Management company	CHF	100'000	100.0	100.0
PREMIUM Spitalgasse 19A GmbH & Co KG	Vienna (AT)	Real estate company	EUR	1'370'060	80.0	80.0
Associates						
Gain Capital Management S.A.R.L.	Luxembourg	Fund management company	EUR	12'000	30.0	30.0
Joint venture						
Data Info Services AG	Vaduz (FL)	Service company	CHF	50'000	50.0	50.0

In the year under report LLB Private Equity GmbH merged with Liechtensteinische Landesbank (Österreich) AG. As a result of the merger, LLB Private Equity GmbH went under. The Future Foundation of Liechtensteinische Landesbank AG was deconsolidated. Both cases had no material effects on the financial statement. There were no disposals of companies or shares in companies in the reporting year.

Company acquisitions

On 1 July 2024, Liechtensteinische Landesbank Aktiengesellschaft (LLB AG) signed a purchase agreement to acquire 100 per cent of the shares of the Zürcher Kantonalbank Österreich AG (ZKB Österreich) with registered office in Vienna. The acquisition took place on 9 January 2025 within the scope of a share deal with the former sole owner, Zürcher Kantonalbank (ZKB). ZKB Österreich with business locations in Vienna and Salzburg employs around 120 persons. It has a strong market position in private banking business as well as acknowledged competence in asset management. The client groups of ZKB Österreich consist primarily of wealthy Austrian and German private clients.

The acquisition of ZKB Österreich, which has client assets under management of around EUR 3.4 billion (approximately CHF 3.2 billion) enables the LLB Group to further strengthen its leading market position in Austria as its third largest domestic market. With its strong positioning in private banking and its excellent reputation, ZKB Österreich represents an ideal strategic expansion in the activities of Liechtensteinische Landesbank (Österreich) AG (LLB Österreich). The product and services portfolio and the investment advisory philosophy of ZKB Österreich are compatible with the strategic orientation of LLB Österreich and form complementary elements to its existing service offer. ZKB Österreich will contribute to the targeted expansion and further development of Salzburg as a business location, therefore providing LLB Österreich with a robust business presence in the two most important wealth management locations in Austria.

The acquisition takes place on 9 January 2025 and ownership of ZKB Österreich will be transferred from ZKB to LLB AG. The legal merger of ZKB Österreich with LLB Österreich is planned for the second half of 2025.

Acquired net assets	in EUR millions
Assets	
Cash and balances with central banks	354.2
Due from banks	41.1
Loans	103.7
Intangible assets	19.1
Other assets	9.4
Acquired assets	527.4
Liabilities	
Due to customers	448.1
Other liabilities	14.4
Assumed liabilities	462.5
Acquired net assets	64.9
Total purchase price	110.9
Goodwill	46.0
Cash inflow from acquisition	243.3

The purchase price for ZKB Österreich as per 9 January 2025 amounts to CHF 104.2 million and is paid in cash.

The valuation of assets and liabilities has not yet been completed. It is based on preliminary information and appraisals and is therefore reported provisionally.

The individual factors that make up the recognised goodwill are composed principally of the employees taken over, the existing expertise, the strengthening of Austria as LLB's third strong

domestic market and the growth associated with this, as well as the synergy effects. Significant synergy effects are expected from the merging of the business activities of LLB Österreich and ZKB Österreich.

Valuation methods, input factors for the measurement of intangible assets and sensitivity of the input factors

Client relationships were identified as the only intangible asset and, using the multi-period excess earnings method, were measured with the income approach. The sensitive input factors with this valuation are the planned cash flow, the loss rate with existing clients and the discount rate.

The balance sheet position "Intangible assets" contains the calculated fair value of the client relationships amounting to around CHF 19.1 million.

Risk management

Principles of risk management

One of the core competences of a financial institute is to consciously accept risks and manage them profitably. In its risk policy, the LLB Group defines qualitative and quantitative standards of risk responsibility, risk management and risk control. Furthermore, the organisational and methodical parameters for the identification, measurement, control and monitoring of risks are specified. The proactive management of risk is an integral part of corporate policy and safeguards the LLB Group's ability to bear and accept risk.

Organisation and responsibilities

Group Board of Directors

The Board of Directors of the LLB Group is responsible for stipulating risk management principles, as well as for specifying responsibilities and procedures for approving business transactions entailing risk. It specifies the basic risk policy and the risk tolerance. In fulfilling its tasks and duties, the Group Board of Directors is supported by the Group Risk Committee.

Group Executive Board

The Group Executive Board is responsible for the overall management of risk readiness within the parameters defined by the Group Board of Directors and for the implementation of the risk management processes. It is supported in this task by various risk committees.

Group Credit & Risk Management

Group Credit & Risk Management identifies, assesses, monitors and reports on the principal risk exposure of the LLB Group and is functionally and organisationally independent of the operative units. It supports the Group Executive Board in the overall management of risk exposure.

Risk categories

The LLB Group is exposed to various types of risks. It differentiates between the following risk categories:

Market risk

The risk of losses arises from unfavourable changes in interest rates, exchange rates, security prices and other relevant market parameters.

Liquidity and refinancing risk

Liquidity and refinancing risk represents the risk of not being able to fulfil payment obligations on time or not being able to obtain refinancing funds on the market at a reasonable price to fulfil current or future payment liabilities.

Credit risk

Credit or counterparty risk includes the danger that a client or a counterparty cannot or cannot completely fulfil their obligations vis à vis the LLB Group or an individual Group company. This can result in a financial loss for the LLB Group.

Operational risk

An operational risk is the danger of losses due to the unsuitability or failure of internal procedures, people or systems, or as a result of external events.

Strategic risk

Strategic risks arise as a result of decisions taken by the Group Executive Board which have a negative influence on the survival, development ability or independence of the LLB Group.

Sustainability risk

Sustainability risks encompass events, conditions or developments in relation to ESG factors which, if they occur, can have significant negative effects on the value of the assets, or financial position and financial performance, or the reputation of the company. ESG factors include:

- ◆ climate and environmental protection (environment),
- ◆ social aspects such as human rights and employment standards (corporate social responsibility),
- ◆ responsible management (corporate governance).

Reputation risk

Reputation is defined as the public standing of a company arising from the perception of its stakeholders regarding its competence, integrity and values. Reputation risk consists of the danger of a negative divergence of the LLB from the expected standards.

Risk categories



Risk management process

The implementation of an efficient risk management process is essential to enable risks to be identified, assessed, controlled and monitored. This should generate a culture of awareness at all levels of the LLB Group. The Group Board of Directors specifies the risk strategy, which provides the operative units with a framework for dealing with risks. Depending on the type of risk, not only upper limits for losses must be stipulated, but also a detailed set of regulations which specify which risks may be accepted under what conditions, and when measures to control risks are to implemented.

The following process diagram shows the control loop of the LLB Group’s risk management process.

Risk management process



Internal Capital Adequacy Assessment Process (ICAAP)

For the purposes of ensuring a continual capital adequacy, the LLB Group has in place sound, effective and comprehensive strategies and processes. The bank’s internal capital adequacy assessment process is an important instrument of risk management for the LLB Group. Its goal is to make a significant contribution to the continued existence of the LLB Group by measuring and safeguarding the bank’s capital adequacy from various perspectives.

As part of the normative perspective, an assessment is made of the extent to which the LLB Group is in a position, in various scenarios, to fulfil its quantitative regulatory and supervisory capital requirements over the medium term.

The normative internal perspective is supplemented by an economic internal perspective, within the scope of which all major risks are identified and quantified which, from an economic viewpoint, could cause losses and substantially reduce the amount of internal capital. In conformity with the economic perspective, the LLB Group ensures all its risks are adequately covered by the availability of internal capital.

The adequacy of the Group's capital resources from the individual perspective has to be tested using internal methods. The quantified risks arising from the individual risk categories are aggregated in an overall risk potential and are compared with the capital available to cover these potential losses. It is then determined to what extent the LLB Group is in a position to bear potential losses.

The LLB Group's financial strength should remain unimpaired by fluctuations on the capital markets. Scenario analyses and stress tests are employed to simulate external influences and assess their impact on equity capital. Where necessary, measures are implemented to mitigate risks.

The ICAAP is documented in internal regulations and guidelines and is reviewed and revised annually.

1 Market risks

Market risk is the risk that arises from changes in interest rates, exchange rates and security prices in the financial and capital markets. A differentiation is made between market risks in the trading book and market risks in the banking book. The potential for losses exists primarily in the impairment of the value of an asset or the increase in the value of liabilities (market value perspective) as well as in secondary capacity in the diminution of current earnings or an increase in current expenditures (earnings perspective).

1.1 Market risk management

The LLB Group has in place a differentiated risk management and risk control system for market risks. The market risk control process comprises a sophisticated framework of rules involving the identification and the uniform valuation of market risk-relevant data as well as the control, monitoring and reporting of market risks.

Trading book

The trading book contains own positions in financial instruments which are held for short-term further sale or repurchase. These tasks are closely related to the clients' needs for capital market products and are understood as a supporting activity for the core business.

The LLB Group conducts small-scale trading book activities in accordance with Article 94 (1) of the Capital Requirements Regulation II (CRR II). A limits system is in operation to ensure compliance and is monitored by Group Risk Management. Due to the lack of materiality, the trading book is no longer explained in detail.

Banking book

In general, the holdings in the banking book are employed to pursue long-term investment goals. These holdings include assets, liabilities, and off-balance sheet positions, which are the result, on the one hand, of classical banking business and, on the other, are held to earn revenue over their life.

Market risks with the banking book mainly involve interest rate fluctuation risk, exchange rate risk and equity price risk.

Interest rate fluctuation risk

Interest rate fluctuation risk is regarded as the adverse effects of changes in market interest rates on capital resources or current earnings. The different interest maturity periods of claims and liabilities from balance sheet transactions and derivatives represent the most important basis.

Exchange rate risk

Exchange rate risk relates to the risks arising in connection with the uncertainties regarding future exchange rate trends. The calculation of these risks takes into consideration all the positions entered into by the bank.

Equity price risk

Equity price risk is understood to be the risk of losses due to adverse changes in the market prices of equities.

1.2 Valuation of market risks

Sensitivity analysis

In sensitivity analysis a risk factor is altered. Subsequently, the effects of the alteration of the risk factor on the portfolio concerned are estimated.

Scenario analysis

The aim of the scenario analyses of the LLB Group is to simulate the effects of normal and stress scenarios.

1.3 Management of market risks

In client business, currency risks are basically controlled by making investments or obtaining refinancing in matching currencies. The residual currency risk is restricted by means of sensitivity limits.

Within the specified limit parameters, the individual Group companies are at liberty to manage their interest rate risks as they wish. Interest rate swaps are employed mainly to control interest rate risks.

Equity investments are limited by means of nominal limits.

1.4 Monitoring and reporting of market risks

Group Credit & Risk Management monitors the observance of market risk limits and is also responsible for reporting market risks.

1.5 Effects on Group net profit

Interest rate fluctuation risk

The LLB Group recognises client loans in the balance sheet at amortised cost. This means that a change in the interest rate does not cause any change in the recognised amount and therefore to no significant recognition affecting profit and loss of the effects of interest rate fluctuation. However, fluctuations in interest rates can lead to risks because the LLB Group largely finances long-term loans with customer deposits. Within the scope of financial risk management, these interest rate fluctuation risks in the balance sheet business of the LLB Group are hedged mainly by means of interest rate swaps. If the IFRS hedge accounting criteria for hedging instruments (interest rate swaps) and underlying transactions (loans) are met, the hedged part of the loans is recognised in the balance sheet at fair value. Further information regarding recognition and measurement is provided in the chapter [Accounting principles](#).

Exchange rate risk

The price gains resulting from the valuation of transactions and balances are booked to profit and loss. The price gains resulting from the transfer of the functional currency into the reporting currency are booked under other comprehensive income without affecting profit and loss.

Equity price risk

The valuation is carried out at current market prices. The equity price risk resulting from the valuation at current market prices is reflected in the income statement and in other comprehensive income.

1.6 Sensitivity analysis

In measuring risk, the LLB Group employs scenario analyses to test sensitivities with market risks. The impact on equity capital, according to the assumptions, is shown in the following.

Interest rate sensitivity measures the market change on interest rate-sensitive instruments for the LLB Group caused by a linear interest rate adjustment of + / – 100 basis points.

Currency sensitivity affects both interest rate sensitive and non-interest rate sensitive instruments. The sensitivity of instruments in foreign currencies is determined by multiplying the CHF market value by the assumed exchange rate fluctuation of + / – 10 per cent.

The equity price risks are measured assuming a price fluctuation of + / – 10 per cent on the equity market.

Sensitivity of existing market risks

in CHF thousands	31.12.2024	31.12.2023
	Sensitivity	Sensitivity
Interest rate risk	106'038	108'875
of which affecting net income	59	291
of which not affecting net income	105'979	108'584
Exchange rate risk	35'742	31'801
of which affecting net income	2'192	857
of which not affecting net income	33'550	30'944
Equity price risk	24'465	23'245
of which affecting net income	14	27
of which not affecting net income	24'452	23'218

Foreign exchange risk arises from the following currencies:

in CHF thousands	31.12.2024	31.12.2023
	Sensitivity	Sensitivity
Exchange rate risk	35'742	31'801
of which USD	1'153	702
of which EUR	33'550	30'944
of which others	1'039	155

1.7 Exchange rate risks

in CHF thousands	USD	EUR	Others	Total
31.12.2023				
Assets				
Cash and balances with central banks	929	1'401'048	112	1'402'090
Due from banks	84'068	84'111	61'136	229'315
Loans	214'557	529'500	45'018	789'075
Financial investments	957'869	832'237	156	1'790'262
Current tax assets	0	112	0	112
Other assets	19'521	181'399	13	200'933
Total assets reported in the balance sheet	1'276'944	3'028'408	106'434	4'411'786
Delivery claims from forex spot, forex futures and forex options transactions	6'815'003	7'590'722	1'806'253	16'211'978
Total assets	8'091'948	10'619'130	1'912'686	20'623'764
Liabilities and equity				
Due to banks	55'860	132'828	7'424	196'112
Due to customers	2'443'494	5'082'593	663'376	8'189'464
Debt issued	0	3'754	0	3'754
Current tax liabilities	0	13'533	0	13'533
Other liabilities	18'873	78'955	4'914	102'742
Liabilities and equity reported in the balance sheet	2'518'227	5'311'663	675'714	8'505'604
Delivery liabilities from forex spot, forex futures and forex options transactions	5'566'699	4'998'026	1'235'426	11'800'150
Total liabilities and equity	8'084'925	10'309'689	1'911'140	20'305'754
Net position per currency	7'022	309'441	1'547	318'010
31.12.2024				
Assets				
Cash and balances with central banks	924	1'705'998	192	1'707'114
Due from banks	56'901	202'057	88'545	347'504
Loans	203'619	717'174	58'349	979'141
Financial investments	963'500	1'030'706	0	1'994'206
Current tax assets	0	51	0	51
Other assets	36'843	199'304	15'803	251'950
Total assets reported in the balance sheet	1'261'786	3'855'291	162'890	5'279'967
Delivery claims from forex spot, forex futures and forex options transactions	8'222'742	7'848'685	2'119'678	18'191'104
Total assets	9'484'528	11'703'976	2'282'567	23'471'071
Liabilities and equity				
Due to banks	26'542	39'945	12'685	79'172
Due to customers	2'556'899	5'595'934	826'058	8'978'891
Debt issued	0	2'702	0	2'702
Current tax liabilities	0	5'686	0	5'686
Other liabilities	42'906	91'499	27'152	161'557
Liabilities and equity reported in the balance sheet	2'626'346	5'735'766	865'895	9'228'008
Delivery liabilities from forex spot, forex futures and forex options transactions	6'846'654	5'632'705	1'406'283	13'885'641
Total liabilities and equity	9'473'000	11'368'471	2'272'178	23'113'649
Net position per currency	11'528	335'504	10'389	357'422

1.8 Interest rate repricing balance sheet

In the fixed-interest-rate repricing balance sheet, asset and liability surpluses from fixed-interest rate positions as well as from interest- rate-sensitive derivative positions in the balance sheet are calculated and broken down into maturity ranges (cycle times). The positions with an unspecified duration of interest rate repricing are allocated to the corresponding maturity ranges (cycle times) on the basis of a replication.

Interest commitments of financial assets and liabilities (nominal)

in CHF thousands	Within 1 month	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
31.12.2023						
Financial assets						
Cash and balances with central banks	6'306'045	0	0	0	0	6'306'045
Due from banks	250'415	0	0	0	0	250'415
Loans	5'324'549	1'658'576	1'192'149	5'019'907	2'121'455	15'316'636
Financial investments	66'722	110'226	368'967	1'744'499	307'974	2'598'387
Total financial assets	11'947'731	1'768'802	1'561'116	6'764'406	2'429'428	24'471'483
Derivative financial instruments	1'140'861	77	130'317	250'699	258'090	1'780'045
Total	13'088'592	1'768'879	1'691'433	7'015'105	2'687'519	26'251'528
Financial liabilities						
Due to banks	733'246	40'000	175'000	0	0	948'246
Due to customers	11'583'919	2'990'722	1'780'491	2'422'978	416'849	19'194'961
Debt issued	579	25'057	105'104	1'112'479	1'329'036	2'572'256
Total financial liabilities	12'317'744	3'055'779	2'060'596	3'535'458	1'745'886	22'715'462
Derivative financial instruments	640'778	10'023	140'135	594'388	390'000	1'775'323
Total	12'958'521	3'065'802	2'200'731	4'129'845	2'135'886	24'490'785
Interest rate repricing exposure	130'071	- 1'296'923	- 509'298	2'885'260	551'633	1'760'743
31.12.2024						
Financial assets						
Cash and balances with central banks	5'870'477	0	0	0	0	5'870'477
Due from banks	1'077'777	0	0	0	0	1'077'777
Loans	5'440'264	1'674'799	1'445'004	6'017'952	1'913'901	16'491'920
Financial investments	56'411	203'375	457'736	1'857'089	194'629	2'769'240
Total financial assets	12'444'930	1'878'174	1'902'740	7'875'041	2'108'530	26'209'414
Derivative financial instruments	1'157'278	41	189'660	70'463	633'038	2'050'480
Total	13'602'208	1'878'215	2'092'400	7'945'503	2'741'568	28'259'893
Financial liabilities						
Due to banks	761'109	100'861	240'000	0	0	1'101'971
Due to customers	12'149'386	2'782'260	1'906'832	3'084'745	525'802	20'449'025
Debt issued	14'151	29'943	130'122	1'282'698	1'559'821	3'016'734
Total financial liabilities	12'924'645	2'913'064	2'276'954	4'367'444	2'085'622	24'567'729
Derivative financial instruments	904'560	95'022	40'012	849'457	160'000	2'049'051
Total	13'829'205	3'008'086	2'316'966	5'216'901	2'245'622	26'616'781
Interest rate repricing exposure	- 226'998	- 1'129'871	- 224'566	2'728'602	495'945	1'643'113

2 Liquidity and refinancing risk

Liquidity risk is defined as a situation where present and future payment obligations cannot be fully met or met on time, or in the event of a liquidity crisis refinancing funds may only be available at increased market rates (refinancing costs) or assets can only be made liquid at markdowns to market rates (market liquidity risk).

2.1 Internal Liquidity Adequacy Assessment Process (ILAAP)

For the purposes of continually evaluating and adequately ensuring a reasonable liquidity base, the LLB Group has in place sound, effective and comprehensive strategies and processes. The bank's internal liquidity adequacy assessment process is an important instrument of risk management for the LLB Group. Its goal is to make a significant contribution to the continued existence of the LLB Group by measuring and safeguarding the bank's liquidity adequacy from various perspectives.

The goal of liquidity risk management at the LLB Group encompasses the following points:

- ◆ Ensuring the ability to meet financial obligations at all times
- ◆ Compliance with regulatory provisions
- ◆ Optimising of refinancing structure
- ◆ Optimising of payment streams within the LLB Group

From the normative internal perspective, an assessment is made over a period of several years of the extent to which the LLB Group is in a position to fulfil its quantitative regulatory and supervisory liquidity requirements and targets, as well as other external financial constraints.

Within the scope of the economic internal perspective it has to be ensured that internal liquidity is continually adequate to cover the risks and expected outflows, as well as to support the Group's strategy. All the risks are taken into account, which could have a significant effect on the liquidity positions.

The LLB Group's liquidity adequacy should remain unimpaired by fluctuations on the markets. Scenario analyses and stress tests are employed to simulate external influences and assess their impact on liquidity adequacy. Where necessary, measures are implemented to mitigate risks.

The ILAAP is documented in internal regulations and guidelines and is reviewed and revised annually.

2.2 Valuation of liquidity risks

In our liquidity risk management concept, scenario analysis plays a central role. This includes the valuation of the liquidity of assets, i.e. the liquidity characteristics of our asset holdings in various stress scenarios.

2.3 Contingency planning

The LLB Group's liquidity risk management encompasses a contingency plan. The contingency plan includes an overview of emergency measures, sources of alternative financing and governance in stress situations.

2.4 Monitoring and reporting of liquidity risks

Group Credit & Risk Management monitors compliance with liquidity risk limits and is responsible for reporting on liquidity risks.

The following tables show the maturities according to contractual periods, separated according to derivative and non-derivative financial instruments as well as off-balance sheet transactions. The values of derivative financial instruments represent replacement values. All other values correspond to nominal values, i.e. possible interest and coupon payments are included.

Maturity structure of derivative financial instruments

in CHF thousands	Term to maturity within 3 months		Term to maturity 4 to 12 months		Term to maturity 1 to 5 years		Term to maturity after 5 years		Total	
	PRV ¹	NRV ¹	PRV	NRV	PRV	NRV	PRV	NRV	PRV	NRV
31.12.2023										
Derivative financial instruments in the trading portfolio										
Interest rate contracts										
Swaps	0	0	460	955	0	0	0	133	460	1'088
Foreign exchange contracts										
Forward contracts	17'113	41'086	6'655	7'108	2'550	2'653	0	0	26'317	50'847
Combined interest rate / currency swaps	133'418	211'427	58'543	58'370	486	584	0	0	192'447	270'382
Options (OTC)	127	127	925	932	0	0	0	0	1'052	1'059
Precious metals contracts										
Options (OTC)	2	2	20	20	247	247	0	0	269	269
Equity instruments / Index contracts										
Options (OTC)	28	28	0	0	0	0	0	0	28	28
Total derivative financial instruments in the trading portfolio	150'688	252'670	66'604	67'385	3'282	3'485	0	133	220'574	323'674
Derivative financial instruments for hedging purposes										
Interest rate contracts										
Swaps (fair value hedge)	75	0	1'070	1'592	17'578	11'899	47'077	0	65'800	13'491
Total derivative financial instruments for hedging purposes	75	0	1'070	1'592	17'578	11'899	47'077	0	65'800	13'491
Total derivative financial instruments	150'764	252'670	67'674	68'978	20'859	15'384	47'077	133	286'374	337'165

¹ PRV: Positive replacement values; NRV: Negative replacement values

in CHF thousands	Term to maturity within 3 months		Term to maturity 4 to 12 months		Term to maturity 1 to 5 years		Term to maturity after 5 years		Total	
	PRV ¹	NRV ¹	PRV	NRV	PRV	NRV	PRV	NRV	PRV	NRV
31.12.2024										
Derivative financial instruments in the trading portfolio										
Interest rate contracts										
Swaps	0	0	0	2	0	0	0	0	0	2
Foreign exchange contracts										
Forward contracts	12'802	11'559	76'418	12'090	1'460	1'695	0	0	90'680	25'344
Combined interest rate / currency swaps	244'686	187'884	62'844	121'281	381	225	0	0	307'911	309'391
Options (OTC)	302	302	189	189	0	0	0	0	491	491
Precious metals contracts										
Options (OTC)	189	189	166	166	1'687	1'686	0	0	2'042	2'041
Total derivative financial instruments in the trading portfolio	257'980	199'934	139'617	133'729	3'529	3'607	0	0	401'126	337'269
Derivative financial instruments for hedging purposes										
Interest rate contracts										
Swaps (fair value hedge)	216	0	272	1'897	9'406	7'210	55'617	0	65'511	9'107
Total derivative financial instruments for hedging purposes	216	0	272	1'897	9'406	7'210	55'617	0	65'511	9'107
Total derivative financial instruments	258'196	199'934	139'889	135'626	12'935	10'817	55'617	0	466'637	346'376

¹ PRV: Positive replacement values; NRV: Negative replacement values

Maturity structure of non-derivative financial instruments and off-balance sheet transactions

in CHF thousands	Demand deposits	Callable	Due within 3 months	Due between 3 months to 12 months	Due between 12 months to 5 years	Due after 5 years	Total
31.12.2023							
Financial assets							
Cash and balances with central banks	6'317'925	0	0	0	0	0	6'317'925
Due from banks	385'371	0	0	0	0	0	385'371
Loans	383'466	44'315	5'470'468	1'622'852	6'072'220	2'228'004	15'821'325
Financial investments	0	0	171'813	408'639	1'837'621	315'461	2'733'533
Accrued income and prepaid expenses	0	0	105'995	0	0	0	105'995
Total financial assets	7'086'763	44'315	5'748'277	2'031'491	7'909'840	2'543'465	25'364'150
Financial liabilities							
Due to banks	552'294	0	222'184	178'096	0	0	952'574
Due to customers	7'596'373	7'078'415	3'142'484	1'372'659	225'408	12'504	19'427'842
Lease liabilities	0	0	991	4'676	16'296	8'073	30'036
Debt issued	0	0	30'389	120'021	1'183'313	1'382'882	2'716'605
Accrued expenses and deferred income	0	0	76'332	0	0	0	76'332
Total financial liabilities	8'148'666	7'078'415	3'472'380	1'675'453	1'425'017	1'403'459	23'203'390
Net liquidity exposure	- 1'061'904	- 7'034'100	2'275'897	356'038	6'484'823	1'140'006	2'160'760
Off-balance-sheet transactions							
Contingent liabilities	55'873	0	0	0	0	0	55'873
Irrevocable commitments	798'190	0	0	0	0	0	798'190
Deposit and call liabilities	13'788	0	0	0	0	0	13'788
31.12.2024							
Financial assets							
Cash and balances with central banks	5'876'518	0	0	0	0	0	5'876'518
Due from banks	651'392	0	600'173	0	0	0	1'251'565
Loans	423'249	51'894	5'727'248	1'898'698	6'927'633	1'992'714	17'021'436
Financial investments	0	0	271'760	484'367	1'959'991	200'348	2'916'466
Accrued income and prepaid expenses	0	0	155'569	0	0	0	155'569
Total financial assets	6'951'159	51'894	6'754'749	2'383'065	8'887'625	2'193'061	27'221'554
Financial liabilities							
Due to banks	721'125	0	141'783	242'353	0	0	1'105'261
Due to customers	9'521'432	7'160'823	2'342'163	1'360'861	288'477	14'515	20'688'272
Lease liabilities	0	0	1'019	4'365	15'791	5'876	27'051
Debt issued	0	0	49'910	151'466	1'379'514	1'638'188	3'219'078
Accrued expenses and deferred income	0	0	114'945	0	0	0	114'945
Total financial liabilities	10'242'557	7'160'823	2'649'820	1'759'045	1'683'782	1'658'579	25'154'607
Net liquidity exposure	- 3'291'398	- 7'108'929	4'104'929	624'020	7'203'842	534'482	2'066'947
Off-balance-sheet transactions							
Contingent liabilities	60'008	0	0	0	0	0	60'008
Irrevocable commitments	810'214	0	0	0	0	0	810'214
Deposit and call liabilities	14'039	0	0	0	0	0	14'039

3 Credit risk

Within the scope of credit risk management, vital importance is attached to the avoidance of credit losses and the early identification of default risks. In addition to systematic risk / return management at the individual loan level, the LLB Group proactively manages its credit risks at the credit portfolio level. The primary objective is to reduce the overall level of risk through diversification and a stabilisation of expected returns.

3.1 Credit risk management

Processes and organisational structures ensure that credit risks are identified, uniformly evaluated, controlled, managed, monitored and included in risk reporting.

Basically, the LLB Group conducts its lending business for private and corporate clients on a secured basis. The process of granting a loan is based on a thorough evaluation of the borrower's creditworthiness, the possible impairment and the legal existence of collateral, as well as risk classification in a rating process performed by experienced credit specialists. The granting of loans is subject to a specified assignment of authority. A major characteristic of the credit approval process is the separation between front and back office functions.

In addition, the LLB Group conducts lending business with banks on a secured and unsecured basis, whereby individual risk limits are approved for every counterparty.

3.2 Evaluation of credit risks

The consistent evaluation of credit risks represents an essential prerequisite of successful risk management. The credit risk can be broken down into the components probability of default, loss given default and the expected exposure at the time point of the default.

Probability of default

The LLB Group assesses the probability of default of individual counterparties by means of an internal rating system. The different rating procedures are adapted to suit the different characteristics of borrowers. The credit risk management ratings employed for banks and debt instruments are based on external ratings from recognised rating agencies.

The reconciliation of the internal rating with the external rating is carried out in accordance with the following master scale.

LLB rating	Description	External rating ²
1 to 4	Investment grade	AAA, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3
5 to 8, not rated ¹	Standard monitoring	Ba1, Ba2, Ba3, B1, B2
9 to 10	Special monitoring	B3, Caa, Ca, C
11 to 14	Sub-standard	Default

¹ Non-rated loans are covered and subject to limits.

² For the securitisation of credit risks in the standard approach, the LLB Group employs solely the external ratings of the recognised rating agency Moody's (for the segments: due from banks, finance companies and securities firms, due from companies and due from international organisations).

Loss given default

The loss given default is influenced by the amount of collateralisation and the costs of realising the collateral. It is expressed as a percentage of the individual commitment.

The potential loss at portfolio level is broken down as follows at the LLB Group:

- ◆ Expected loss – Expected loss is a future-related, statistical concept that permits the LLB Group to estimate the average annual costs. It is calculated on the basis of the default probability of a counterparty, the expected credit commitment made to this counterparty at the time of the default, and the magnitude of the loss given default. The concept of expected loss is also applied within the scope of IFRS 9 / ECL (see chapter [Accounting principles](#)).
- ◆ Scenario analysis – The modelling of external credit losses is performed on the basis of stress scenarios, which enable us to evaluate the effects of fluctuations in the default rates of the assets pledged as collateral taking into consideration the existing risk concentration in every portfolio.

3.3 Controlling credit risk

Credit risk management has the task of actively influencing the risk situation of the LLB Group. This is carried out using a limits system, risk-adjusted pricing, through the possibility of using risk hedging instruments and the specific reduction of credit commitments. Risk management is conducted both at the individual loan and at the portfolio level.

Risk restriction

The LLB Group has in place a comprehensive limits system to restrict credit risk exposure. In addition to the limitation of individual credit risks, to prevent risk concentrations, the LLB Group assigns limits for regions and sectors.

Risk mitigation

To mitigate credit risk exposure, the LLB Group takes security mainly in the form of pledged assets and financial collateral. In the case of financial collateral in the form of marketable securities, we determine their collateral value by applying a schedule of reductions, the size of which is based on the quality, liquidity, volatility and complexity of the separate instruments.

Derivatives

The LLB Group may employ credit derivatives to reduce risks. This possibility has not been utilised in recent years.

3.4 Monitoring and reporting of credit risks

The organisational structure of the LLB Group ensures that departments which cause the risks (front office) and those that evaluate, manage and monitor them (back office) are completely separated.

Individual credit risks are monitored by means of a comprehensive limits system. Infringements are immediately reported to the senior officer responsible.

3.5 Risk provisioning

Overdue claims

A claim is deemed to be overdue if a substantial liability from a borrower to the bank is outstanding. The overdraft begins on the date when a borrower exceeds an approved limit, has not paid interest or amortisation, or has utilised an unauthorised credit facility.

For claims that are more than 90 days overdue, individual value allowances are made in the amount of the expected credit loss.

Default-endangered claims

Claims are regarded as being in danger of default if, on the basis of the client's creditworthiness, a loan default can no longer be excluded in the near future.

Impairments

Basically, an impairment is calculated and a provision set aside for all positions which are subject to a credit risk. Essentially, the credit quality determines the scope of the impairment. If the credit risk has not risen significantly since initial recognition, the expected credit loss is calculated over a year (credit quality level 1). However, if a significant increase in the credit risk has occurred since initial recognition, the expected loss is calculated over the remaining term to maturity (credit quality level 2). In the case of defaulted credit positions – a default in accordance with the Capital Requirements Regulation (CRR) Art. 178 – a specific value allowance is determined and recognised by the Group Recovery Department. The expected credit loss is calculated over the loan's remaining term to maturity (credit quality level 3).

3.6 Country risks

A country risk arises if specific political or economic conditions in a country affect the value of a foreign position. Country risk is composed of transfer risk (e.g. restrictions on the free movement of money and capital) and other country risks (e.g. country-related liquidity, market and correlation risks).

Country risks are controlled on the basis of a limits system and are continually monitored. Ratings provided by a recognised rating agency are utilised for certain individual countries.

3.7 Risk concentration

The largest credit risk for the LLB Group arises from loans made to customers. In the case of loans to customers, the majority of loans are secured by mortgages, which are granted to clients having first-class creditworthiness within the scope of the LLB Group's lending policy. Thanks to the diversified nature of the collateral portfolio, containing properties primarily in the Principality of Liechtenstein and in Switzerland, the risk of losses is reduced to a minimum.

Maximal credit risk by region without considering collateral

in CHF thousands	Liechtenstein / Switzerland	Europe excluding FL / CH	North America	Asia	Others ¹	Total
31.12.2023						
Credit risks from balance sheet transactions						
Due from banks	171'145	101'686	15'606	24'140	4'437	317'014
Loans						
Mortgage loans	13'611'826	156'847	713	9'785	8'321	13'787'493
Loans to public institutions	115'201	0	0	0	0	115'201
Miscellaneous loans	710'025	424'378	574	150'251	103'688	1'388'916
Derivative financial instruments	89'286	196'634	0	309	144	286'374
Financial investments						
Debt instruments	448'478	1'303'547	611'991	90'986	99'612	2'554'615
Total	15'145'962	2'183'093	628'883	275'473	216'202	18'449'614
Credit risks from off-balance sheet transactions						
Contingent liabilities	48'197	6'311	0	899	466	55'873
Irrevocable commitments	519'257	217'080	1	4'172	57'680	798'190
Deposit and call liabilities	13'788	0	0	0	0	13'788
Total	581'242	223'390	1	5'072	58'146	867'851
31.12.2024						
Credit risks from balance sheet transactions						
Due from banks	935'968	205'028	7'763	24'183	4'779	1'177'721
Loans						
Mortgage loans	14'537'736	232'042	601	14'253	7'751	14'792'383
Loans to public institutions	106'568	6	0	0	0	106'574
Miscellaneous loans	863'129	457'787	0	180'587	92'684	1'594'187
Derivative financial instruments	267'104	197'101	0	1'955	476	466'637
Financial investments						
Debt instruments	457'621	1'508'852	597'776	96'136	97'654	2'758'038
Total	17'168'126	2'600'815	606'141	317'114	203'344	20'895'540
Credit risks from off-balance sheet transactions						
Contingent liabilities	52'887	6'078	0	748	295	60'008
Irrevocable commitments	583'602	180'931	0	10'033	35'648	810'214
Deposit and call liabilities	14'039	0	0	0	0	14'039
Total	650'529	187'009	0	10'781	35'943	884'261

¹ None of the countries summarised in the position "Others" exceeds 10 per cent of the total volume.

Maximal credit risk by sector without considering collateral

in CHF thousands	Financial services	Real estate	Private households	Others ¹	Total
31.12.2023					
Credit risks from balance sheet transactions					
Due from banks	317'014	0	0	0	317'014
Loans					
Mortgage loans	379'887	4'498'232	7'947'732	961'642	13'787'493
Loans to public institutions	0	0	0	115'201	115'201
Miscellaneous loans	394'371	107'679	447'639	439'227	1'388'916
Derivative financial instruments	283'191	215	1'246	1'721	286'374
Financial investments					
Debt instruments	1'706'986	11'809	0	835'821	2'554'615
Total	3'081'449	4'617'935	8'396'617	2'353'613	18'449'614
Credit risks from off-balance sheet transactions					
Contingent liabilities	4'461	9'637	13'637	28'139	55'873
Irrevocable commitments	248'413	124'378	208'232	217'168	798'190
Deposit and call liabilities	13'788	0	0	0	13'788
Total	266'662	134'014	221'868	245'307	867'851
31.12.2024					
Credit risks from balance sheet transactions					
Due from banks	1'177'721	0	0	0	1'177'721
Loans					
Mortgage loans	464'476	5'288'765	8'071'887	967'254	14'792'383
Loans to public institutions	0	0	0	106'574	106'574
Miscellaneous loans	425'526	82'495	566'448	519'718	1'594'187
Derivative financial instruments	439'371	1'639	9'454	16'173	466'637
Financial investments					
Debt instruments	1'849'690	0	0	908'348	2'758'038
Total	4'356'784	5'372'898	8'647'789	2'518'069	20'895'540
Credit risks from off-balance sheet transactions					
Contingent liabilities	5'888	6'642	13'526	33'953	60'008
Irrevocable commitments	200'203	180'689	192'571	236'750	810'214
Deposit and call liabilities	14'039	0	0	0	14'039
Total	220'130	187'331	206'097	270'703	884'261

¹ CHF 97.9 million of the total volume of loans to public institutions relates to the energy supply sector (previous year: CHF 99.3 million). Federal and central governments comprise CHF 332.0 million of debt instruments (previous year: CHF 201.0 million). With contingent liabilities, CHF 11.2 million was attributable to the sector "Trade" (previous year: CHF 8.5 million). With all other positions under the item "Others", no individual sector exceeds 10 per cent of the total volume.

3.8 Risk of default for financial instruments not measured at fair value through profit and loss according to the creditworthiness of the borrower

The following tables show the creditworthiness of borrowers with financial instruments, which are measured at amortised cost or at fair value through other comprehensive income, as well as for credit commitments and financial guarantees.

The carrying amount of financial instruments, which are measured at fair value through other comprehensive income, is not corrected by means of a value allowance because the impairment is charged directly to other comprehensive income. In the case of credit commitments and financial guarantees, a corresponding provision is set aside.

in CHF thousands	Note	Investment Grade	Standard Monitoring	Special Monitoring	Sub-standard	Total
31.12.2023						
Due from banks	12	317'014	0	0	0	317'014
Loans	13	2'858'632	12'140'348	191'446	96'332	15'286'758
Financial investments						
Debt instruments	15	2'498'180	0	0	0	2'498'180
Credit risks from balance sheet transactions		5'673'826	12'140'348	191'446	96'332	18'101'952
Financial guarantees						
Credit risks from off-balance sheet transactions		427'917	439'078	558	298	867'851

31.12.2024						
Due from banks	12	1'177'721	0	0	0	1'177'721
Loans	13	3'022'469	13'161'411	164'680	140'325	16'488'886
Financial investments						
Debt instruments	15	2'728'402	0	0	0	2'728'402
Credit risks from balance sheet transactions		6'928'592	13'161'411	164'680	140'325	20'395'009
Financial guarantees						
Credit risks from off-balance sheet transactions		396'643	487'212	301	106	884'261

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2023				
Due from banks				
Investment grade	317'014	0	0	317'014
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total gross carrying amount	317'014	0	0	317'014
Total value allowances	0	0	0	0
Total net carrying amount	317'014	0	0	317'014
31.12.2024				
Due from banks				
Investment grade	1'177'721	0	0	1'177'721
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total gross carrying amount	1'177'721	0	0	1'177'721
Total value allowances	0	0	0	0
Total net carrying amount	1'177'721	0	0	1'177'721

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2023				
Loans				
Investment grade	2'826'522	32'985	0	2'859'507
Standard monitoring	11'961'230	182'957	0	12'144'187
Special monitoring	161'977	29'608	0	191'585
Sub-standard	0	0	164'591	164'591
Total gross carrying amount	14'949'730	245'549	164'591	15'359'869
Total value allowances	- 4'067	- 786	- 68'259	- 73'112
Total net carrying amount	14'945'663	244'763	96'332	15'286'758

31.12.2024				
Loans				
Investment grade	2'906'272	117'060	0	3'023'332
Standard monitoring	13'081'459	83'284	0	13'164'742
Special monitoring	141'269	23'475	0	164'744
Sub-standard	0	0	197'098	197'098
Total gross carrying amount	16'129'000	223'819	197'098	16'549'917
Total value allowances	- 3'979	- 279	- 56'773	- 61'031
Total net carrying amount	16'125'020	223'540	140'325	16'488'886

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2023				
Debt instruments ¹				
Investment grade	2'498'180	0	0	2'498'180
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total (gross) carrying amount ²	2'498'180	0	0	2'498'180
Total value allowances ²	- 234	0	0	- 234

31.12.2024				
Debt instruments ¹				
Investment grade	2'728'402	0	0	2'728'402
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total (gross) carrying amount ³	2'728'402	0	0	2'728'402
Total value allowances ³	- 266	0	0	- 266

1 The valuation basis is not relevant in relation to the default risk. For this reason debt instruments, which are measured at amortised cost and also at fair value through other comprehensive income, are disclosed together in this table.

2 The gross carrying amount of debt instruments, which are measured at amortised cost, amounted to CHF thousands 834'186, the related value allowance minus CHF thousands 80, the net carrying amount CHF thousands 834'106.

3 The gross carrying amount of debt instruments, which are measured at amortised cost, amounted to CHF thousands 1'324'378, the related value allowance minus CHF thousands 162, the net carrying amount CHF thousands 1'324'216.

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2023				
Financial guarantees				
Investment grade	427'917	0	0	427'917
Standard monitoring	437'804	1'275	0	439'078
Special monitoring	432	126	0	558
Sub-standard	0	0	298	298
Total credit risk	866'153	1'401	298	867'851
Total provisions	- 2'305	- 94	- 298	- 2'697
31.12.2024				
Financial guarantees				
Investment grade	396'643	0	0	396'643
Standard monitoring	484'773	2'440	0	487'212
Special monitoring	181	120	0	301
Sub-standard	0	0	106	106
Total credit risk	881'596	2'560	106	884'261
Total provisions	- 2'538	- 87	- 106	- 2'731

3.9 Expected credit loss and value allowances

In the following, the development of expected credit losses and the value adjustments made are disclosed only for material positions.

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
Loans				
Valuation allowance as at 1 January 2023	- 2'935	- 409	- 70'647	- 73'990
Transfers				
from Stage 1 to Stage 2	23	- 23	0	0
from Stage 2 to Stage 1	- 86	86	0	0
from Stage 2 to Stage 3	0	0	- 0	0
from Stage 3 to Stage 2	0	- 15	15	0
Net revaluation effect	303	- 537	- 63	- 296
Additions from changes to scope of consolidation	0	0	0	0
Addition on account of new loans to customers / interest / loan extension	- 2'661	- 4	0	- 2'666
Disposals due to redemption of loans / waiving of claims / maturity effect	1'283	117	2'435	3'834
Currency effects	6	0	0	6
Valuation allowance as at 31 December 2023	- 4'067	- 786	- 68'259	- 73'112

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
Loans				
Valuation allowance as at 1 January 2024	- 4'067	- 786	- 68'259	- 73'112
Transfers				
from Stage 1 to Stage 2	12	- 12	0	0
from Stage 2 to Stage 1	- 644	644	0	0
from Stage 2 to Stage 3	0	0	0	0
from Stage 3 to Stage 2	0	0	0	0
Net revaluation effect	653	4	- 21'020	- 20'363
Additions from changes to scope of consolidation	0	0	0	0
Addition on account of new loans to customers / interest / loan extension	- 2'219	- 194	0	- 2'413
Disposals due to redemption of loans / waiving of claims / maturity effect	2'287	65	32'506	34'858
Currency effects	- 2	- 0	0	- 2
Valuation allowance as at 31 December 2024	- 3'979	- 279	- 56'773	- 61'031

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
Financial guarantees				
Provision as at 1 January 2023	- 1'623	- 744	- 299	- 2'666
Transfers				
from Stage 1 to Stage 2	0	0	0	0
from Stage 2 to Stage 1	- 0	0	0	0
from Stage 2 to Stage 3	0	0	0	0
from Stage 3 to Stage 2	0	0	0	0
Net revaluation effect	- 4	- 3	0	- 7
Additions from changes to scope of consolidation	0	0	0	0
Addition due to granting of new financial guarantees and limit utilisation	- 1'454	0	0	- 1'454
Disposal due to withdrawal of financial guarantees and limit utilisation	770	652	1	1'423
Currency effects	7	0	0	7
Provision as at 31 December 2023	- 2'305	- 94	- 298	- 2'697

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
Financial guarantees				
Provision as at 1 January 2024	- 2'305	- 94	- 298	- 2'697
Transfers				
from Stage 1 to Stage 2	0	- 0	0	0
from Stage 2 to Stage 1	0	0	0	0
from Stage 2 to Stage 3	0	0	0	0
from Stage 3 to Stage 2	0	0	0	0
Net revaluation effect	10	6	0	16
Additions from changes to scope of consolidation	0	0	0	0
Addition due to granting of new financial guarantees and limit utilisation	- 862	- 1	0	- 862
Disposal due to withdrawal of financial guarantees and limit utilisation	630	2	192	824
Currency effects	- 11	0	0	- 11
Provision as at 31 December 2024	- 2'538	- 87	- 106	- 2'731

3.10 Collateral and positions with impaired credit rating

Chapter 3.7 Risk concentration shows the maximum credit risk without considering possible collateral. The LLB Group pursues the goal of reducing credit risks where possible. This is achieved by obtaining collateral from the borrower. The LLB Group predominantly holds collateral against derivatives (see note 34) as well as against loans to clients and banks.

The types of cover for loans and due from banks are shown in the following tables. These figures are net amounts, i.e. after deduction of expected credit losses.

Types of cover for loans

in CHF thousands	31.12.2024	31.12.2023	+/- %
Secured by mortgage	14'895'088	13'698'213	8.7
Other collateral	1'027'562	864'005	18.9
Unsecured	566'236	724'540	- 21.8
Total	16'488'886	15'286'758	7.9

Loans secured by properties are predominantly secured by residential properties in Switzerland and the Principality of Liechtenstein. In the category "Other collateral" client loans secured by securities (money market instruments, equities, bonds, investment fund units, hedge fund units, structured products, as well as other traditional and alternative financial investments) are reported. To ensure the adequate quality and liquidity of the pledged collateral, the LLB Group pursues a strict collateral quality and lending value system.

If value allowances are made for loans, the amount of the allowance largely depends on the collateral provided by the client. The maximum value allowance may only correspond to the expected liquidation value of the collateral held and is shown in the following table.

in CHF thousands	Gross carrying amount	Impaired credit-worthiness	Net carrying amount	Fair value of collateral held
Financial assets of stage 3 on reporting date 31.12.2023				
Loans	164'591	- 68'259	96'332	96'332
Financial assets of stage 3 on reporting date 31.12.2024				
Loans	197'098	- 56'773	140'325	140'325

There were no material changes with respect to the quality of the collateral held.

Taken-over collateral

in CHF thousands	2024	2023
Real estate / Properties		
As at 1 January	2'620	1'920
Additions / (Disposals) ¹	- 910	700
(Value allowances) / Revaluations	0	0
As at 31 December	1'710	2'620

1 Different properties were acquired (previous year: one property) and 3 properties were disposed of (previous year: no property).

Taken-over collateral is disposed of again as soon as possible. It is reported under [other assets](#) in the position "Investment property".

Write-offs are made only on a very restrictive basis. The following table shows to what extent the LLB Group can also legally recover written-off claims in future.

Written-off financial assets in year under report, subject to an enforcement measure in CHF thousands	Contractually outstanding amount	
	31.12.2024	31.12.2023
Loans	1'230	0

Types of cover for due from banks

in CHF thousands	31.12.2024	31.12.2023	+/- %
Other collateral	600'094	0	
Unsecured	577'627	317'014	82.2
Total	1'177'721	317'014	271.5

Claims due from banks are to be assigned exclusively to credit quality level 1.

4 Operational risk

The LLB Group defines operational risks as being the danger of losses due to the failure of internal procedures, people or IT systems or as a result of an external event. Legal and compliance risks form a part of operational risks. The LLB Group has in place an active and systematic process for managing operational risks. Policies and directives have been formulated for the identification, control and management of this risk category, which are valid for all Group companies. Potential and incurred losses from all organisational units, as well as significant external events, are recorded and evaluated promptly at the parent bank. In addition, the LLB Group collates and analyses risk ratios, e.g. from the areas of due diligence and employee transactions for own account or information and cyber security. Ultimately, the risks are limited by means of internal rules and regulations regarding organisation and control.

5 Strategic risk

For LLB Group, a strategic risk represents the endangering of a projected business result due to the inadequate focusing of the Group on the political, economic, technological or ecological environment. Accordingly, these risks can arise as a result of an inadequate strategic decision-making process, unforeseeable events on the market or a deficient implementation of the selected strategies.

Strategic risks are regularly reviewed by the Group Risk Committee and by the Group Board of Directors.

6 Sustainability risks

Sustainability risks arise from the environmental, social and corporate governance areas and they can adversely affect the ability of a borrower to fulfil his financial obligations. Furthermore, sustainability risks can negatively influence reputation and profitability, and therefore corporate value as well as the value of investments, thus having a negative impact on the financial position and financial performance of the LLB Group. Sustainability risks can affect individual asset classes, companies or even entire sectors or regions. Accordingly, the LLB Group does not regard sustainability risks as a separate risk category. To strengthen the LLB Group's resilience in relation to ESG risks, Group Financial Risk Controlling ensures that ESG risks are systematically identified, assessed, managed and monitored. At the same time, Group Financial Risk Controlling monitors compliance with all the relevant regulatory requirements.

7 Reputational risk

If risks are not identified, adequately managed and monitored, this can lead not only to substantial financial losses, but also to reputational damage. The LLB Group does not regard reputational risk as an independent risk category, but rather as the danger of additional losses stemming from the categories concerned. To this extent, a reputational risk can cause and also result in losses in all risk categories, such as market or credit risks.

Reputational risks are regularly reviewed by the Group Risk Committee and by the Group Board of Directors.

8 Regulatory disclosures

Regulatory measures

The LLB publishes its regulatory disclosures in a [Disclosure Report](#) in accordance with CRR. The following table provides a brief extract of the LLB Group's key figures.

in CHF millions	31.12.2024	31.12.2023
Total equity	2'235	2'131

in per cent	31.12.2024	31.12.2023
Tier 1 ratio		
Regulatory minimum requirement	13.7	13.7
LLB Group strategic target	16.0	16.0
As per reporting date	18.8	19.8
Leverage Ratio (LR)		
Regulatory minimum requirement	3.0	3.0
As per reporting date	6.5	6.7
Liquidity Coverage Ratio (LCR)		
Regulatory minimum requirement	100.0	100.0
As per reporting date	157.7	164.2
Net Stable Funding Ratio (NSFR)		
Regulatory minimum requirement	100.0	100.0
As per reporting date	157.0	161.8

Assets under management

in CHF millions	31.12.2024	31.12.2023	+/- %
Assets in own-managed funds	8'215	7'320	12.2
Assets with discretionary mandates	9'954	9'053	9.9
Other assets under management	78'814	70'554	11.7
Total assets under management	96'983	86'927	11.6
of which double counting	6'295	5'398	16.6

in CHF millions	2024	2023
Total assets under management as at 1 January ¹	86'927	83'926
Net new money	2'789	1'381
Market and currency effects ²	8'090	1'611
Other effects (incl. reclassifications)	- 823	9
Total assets under management as at 31 December ¹	96'983	86'927

- 1 Including double counting
2 Including interest and dividend income

Breakdown of assets under management

in per cent	31.12.2024	31.12.2023
By asset class		
Equities	24	23
Bonds	18	18
Investment funds	33	32
Liquidity	21	22
Precious metals / others	5	5
Total	100	100
By currency		
CHF	30	31
EUR	38	38
USD	26	24
Others	6	6
Total	100	100

Calculation method

Assets under management comprise all client assets managed or held for investment purposes. Basically, these include all balances due to customers, fiduciary time deposits and all valued portfolio assets.

Also included are other types of client assets which can be deduced from the principle of the investment purpose. Custody assets (assets held solely for transaction and safekeeping purposes) are not included in assets under management.

Assets in own-managed funds

This item comprises the assets of the LLB Group's own managed, collective investment funds.

Assets with discretionary mandates

Securities, value rights, precious metals, the market value of fiduciary investments with third parties and customer deposits are included in the calculation of assets with discretionary mandates. The figures comprise both assets deposited with Group companies and assets deposited with third parties, for which the Group companies hold a discretionary mandate.

Other assets under management

Securities, value rights, precious metals, the market value of fiduciary investments with third parties and customer deposits are included in the calculation of other assets under management. The figures comprise assets for which an administration or advisory mandate is exercised.

Double counting

This item comprises fund units in own-managed, collective investment funds which are contained in client portfolios with discretionary mandates and in other client safekeeping accounts. If assets are subjected to several levels of portfolio management or investment advisory services simultaneously, this also results in double counting. Each of these services creates additional benefits for the client and an additional contribution to the Group's business result.

Net new money

This position is composed of the acquisition of new clients, lost client accounts and inflows or outflows from existing clients. Performance related asset fluctuations, e.g. price changes, interest and dividend payments including interest, commissions and expenses charged to client accounts, are not regarded as inflows or outflows. Acquisition related changes to assets will also not be considered.

Other effects

Following a reassessment of client assets under management amounting to CHF 86.9 billion reported in 2023, CHF 0.8 billion were reclassified as custody assets. This applies primarily to client groups with a potential business reference to Russia.



Liechtensteinische Landesbank
Aktiengesellschaft, Vaduz

Statutory Auditor's Report
on the Consolidated Financial Statements
to the General Meeting
2024 Consolidated financial statements



Statutory Auditor's Report

To the General Meeting of Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Liechtensteinische Landesbank Aktiengesellschaft (Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 165 to 242) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and its financial performance for the year then ended in accordance with IFRS Accounting Standards applicable in the European Union (EU-IFRS) and the provision 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 Consolidated Financial Statements" section of our report.

We are independent of the Group 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



RECOVERABILITY OF GOODWILL

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 2024, the Group reports loans of CHF 16.5 billion, representing 59.4 % of total assets.

Loans are valued at amortized cost using the effective interest method, taking into account an expected credit loss (ECL).

The expected credit loss is calculated over the scheduled residual term and is based on the components probability of default, loan amount and loss rate in the event 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 and an evaluation of the methods, inputs and assumptions used by the Group to calculate the allowances for loans using the ECL model. In this regard, we performed effectiveness tests of key controls on a sample basis.

For a sample of loans with specific allowances for credit losses, we assessed whether the allowances made by the Group were appropriate.

We also tested a sample of loans that were not identified by the Group 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 consolidated financial statements in connection with the loans.

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

- Page 174: Accounting policies: Financial assets measured at amortized cost
- Pages 175 to 178: Accounting policies: Impairments
- Page 189: Notes to the consolidated balance sheet: 13 Loans
- Pages 230 to 239: Risk management: Credit Risk



RECOVERABILITY OF GOODWILL

Key Audit Matter

As at 31 December 2024, the Group recognizes goodwill of CHF 151.0 million arising from a number of past acquisitions.

Goodwill impairment testing is performed at the level of cash generating units ('CGUs') and is based on an estimate of the value-in-use based on discounted future cash flows. The estimation uncertainty is typically highest for those CGUs where headroom between value-in-use and carrying value is small or where the value-in-use is highly sensitive to changes in projected future cash flows and other key assumptions.

Due to the significance of the Group's recognized goodwill and due to the scope for judgement in forecasting and discounting future cash flows, the recoverability of goodwill is deemed to be a key audit matter.

Our response

Our audit procedures included the assessment of the Group's process for the testing of the recoverability of goodwill, including the assumptions used.

We tested key assumptions in the value-in-use calculations of the individual CGUs, including the cash flow projections and discount rates used. We assessed the appropriateness of cash flow projections and key inputs (such as discount rates and growth rates) by comparing them with historical data and results of the Group and externally available industry, economic and financial data.

With the assistance of our own valuation specialists, we critically assessed the assumptions and methods used to determine the value-in-use for those CGUs where significant goodwill was found to be sensitive to changes in those assumptions.

We also compared the aggregate values-in-use determined by the Group with its market capitalization.

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

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

- Page 179: Accounting policies: Goodwill and other intangible assets
- Pages 194 to 196: Notes to the consolidated balance sheet: 17 Goodwill and other intangible assets

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 consolidated 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 consolidated 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 Consolidated Financial Statements

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



In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and conduct the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an audit opinion on the financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the purpose of auditing the financial statements. We remain solely responsible for our audit opinion.

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 consolidated 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 19 April 2024. We have been the statutory auditor of the Group 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 consolidated financial statements or in the consolidated 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 in accordance with Article 10 para. 2 lit. f Regulation (EU) No. 537/2014 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 consolidated management report (pages 161 to 164) has been prepared in accordance with the applicable legal requirements, is consistent with the consolidated financial statements and, in our opinion, based on the knowledge obtained in the audit of the consolidated financial statements and our understanding of the Group and its environment does not contain any material misstatements.

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

KPMG (Liechtenstein) AG

Mirko Liberto
Chartered Accountant (CH)

Moreno Halter
Chartered Accountant
Auditor in Charge

Vaduz, 20 February 2025