

# Management report

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

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

On the balance sheet date, Liechtensteinische Landesbank AG, Vaduz, and its subsidiaries held a total of 362'382 own registered shares (previous year: 208'055 shares). This corresponds to a share capital stake of 1.2 per cent (previous year: 0.7 %). With respect to the volume of, and changes to, treasury shares of Liechtensteinische Landesbank AG, reference is made to [note 6](#).

The Board of Directors proposes to the General Meeting of Shareholders on 16 April 2025 that a dividend of CHF 2.80 per registered share be paid out.

Please refer to [section 1.2](#) of the accounting principles in the Group report for information on significant events after the balance sheet date. This did not result in any additional disclosures or a correction to the 2024 annual financial statements.

# Balance sheet

in CHF thousands	Note	31.12.2024	31.12.2023	+/- %
<b>Assets</b>				
Cash and balances with central banks		2'832'127	3'774'559	- 25.0
Due from banks		2'598'222	1'470'579	76.7
due on a daily basis		596'537	339'244	75.8
other claims		2'001'685	1'131'335	76.9
Loans	1a	8'859'217	8'259'145	7.3
of which mortgages	1a	7'568'057	7'010'619	8.0
Bonds and other fixed-interest securities	2b	2'316'060	2'092'912	10.7
Money market instruments		306'115	185'112	65.4
from public authority issuers		306'115	164'601	86.0
from other issuers		0	20'511	- 100.0
Bonds		2'009'946	1'907'799	5.4
from public authority issuers		331'539	362'073	- 8.4
from other issuers		1'678'407	1'545'727	8.6
Shares and other non-fixed-interest securities	2c	182'211	189'517	- 3.9
Participations	3/4	23	24	- 3.9
Shares in associated companies	3/4	653'465	653'495	- 0.0
Intangible assets	4	58'987	50'958	15.8
Fixed assets	4	101'235	87'703	15.4
Own shares or shares	6	24'321	13'087	85.8
Other assets	7	622'915	422'971	47.3
Accrued income and prepayments		168'967	130'546	29.4
<b>Total assets</b>		<b>18'417'750</b>	<b>17'145'495</b>	<b>7.4</b>
<b>Liabilities</b>				
Due to banks		1'833'861	1'505'059	21.8
due on a daily basis		880'418	608'197	44.8
with agreed maturities or periods of notice		953'444	896'862	6.3
Due to customers		13'176'902	12'500'595	5.4
savings deposits		1'867'797	1'656'903	12.7
other liabilities		11'309'105	10'843'692	4.3
due on a daily basis		9'226'153	7'991'653	15.4
with agreed maturities or periods of notice		2'082'952	2'852'039	- 27.0
Certified liabilities		812'941	658'950	23.4
bonds issued, of which:		812'941	658'950	23.4
medium-term notes		62'941	108'950	- 42.2
Bonds issued	9	750'000	550'000	36.4
Other liabilities	7	558'872	503'291	11.0
Accrued expenses and deferred income		120'795	90'328	33.7
Provisions		20'355	17'735	14.8
tax provisions	10	16'646	13'683	21.7
other provisions	10	3'709	4'053	- 8.5
Provisions for general banking risks	10	350'000	350'000	0.0
Share capital	11	154'000	154'000	0.0
Share premium		47'750	47'750	0.0
Retained earnings		1'225'080	1'215'080	0.8
legal reserves		390'550	390'550	0.0
reserves for own shares		24'321	13'087	85.8
other reserves		810'209	811'443	- 0.2
Balance brought forward		10'142	2'793	263.1
Profit for the year		107'053	99'913	7.1
<b>Total liabilities</b>		<b>18'417'750</b>	<b>17'145'495</b>	<b>7.4</b>

# Off-balance sheet transactions

in CHF thousands	Note	31.12.2024	31.12.2023	+/- %
Contingent liabilities	1/19	32'360	35'046	- 7.7
Liabilities resulting from guarantees and indemnity agreements as well as liability arising from the provision of collateral		32'360	35'046	- 7.7
Credit risks		366'824	401'072	- 8.5
irrevocable commitments	1	365'646	398'914	- 8.3
deposit and call liabilities	1	1'178	2'158	- 45.4
Derivative financial instruments	20	26'804'771	23'492'418	14.1
Fiduciary transactions	21	127'731	159'063	- 19.7

# Income statement

in CHF thousands	Note	2024	2023	+/- %
Interest income		336'231	294'041	14.3
of which from fixed-interest securities		53'085	30'876	71.9
of which from trading transactions		0	0	
Interest expenses		- 317'297	- 236'562	34.1
<b>Net interest income</b>		<b>18'934</b>	<b>57'479</b>	<b>- 67.1</b>
Shares and other non-fixed-interest securities		6'300	5'603	12.4
of which from trading transactions		6'300	5'603	12.4
Participations in associated companies		8'167	16'540	- 50.6
<b>Income from securities</b>		<b>14'467</b>	<b>22'143</b>	<b>- 34.7</b>
Credit-related commissions and fees		460	299	53.9
Commissions from securities and investment business		116'015	108'673	6.8
Other commission and fee income		17'794	18'428	- 3.4
Commission and fee expenses		- 43'263	- 46'264	- 6.5
<b>Net commission and fee income</b>		<b>91'007</b>	<b>81'136</b>	<b>12.2</b>
<b>Income from financial transactions</b>		<b>197'854</b>	<b>186'997</b>	<b>5.8</b>
of which from trading business	22	175'583	132'072	32.9
Income from real estate holdings	25	831	1'275	- 34.8
Other ordinary income	25	41'530	36'035	15.2
<b>Sundry ordinary income</b>	<b>25</b>	<b>42'361</b>	<b>37'311</b>	<b>13.5</b>
<b>Total operating income</b>		<b>364'623</b>	<b>385'066</b>	<b>- 5.3</b>
Personnel expenses	23	- 156'230	- 136'071	14.8
Administrative expenses	24	- 74'247	- 68'797	7.9
<b>Total operating expenses</b>		<b>- 230'477</b>	<b>- 204'869</b>	<b>12.5</b>
<b>Gross operating profit</b>		<b>134'146</b>	<b>180'197</b>	<b>- 25.6</b>
Depreciation on intangible assets and fixed assets		- 20'281	- 19'102	6.2
Other ordinary expenses	26	- 635	- 556	14.3
Allowances on claims and allocations to provisions for contingent liabilities and lending risks	10	- 397	- 2'425	- 83.6
Earnings from the release of allowances on claims and of provisions for contingent liabilities and lending risks	10	6'824	6'146	11.0
Write-downs to participations, shares in associated companies and securities treated as long-term investments		- 1	- 1	0.3
Earnings from write-ups to participations, shares in associated companies and securities treated as long-term investments		0	4'000	- 100.0
<b>Result from normal business operations</b>		<b>119'656</b>	<b>168'259</b>	<b>- 28.9</b>
Income taxes		- 13'189	- 13'317	- 1.0
Other taxes		585	- 29	
Releases / (Additions) to provisions for general banking risks		0	- 55'000	- 100.0
<b>Profit for the year <sup>1</sup></b>		<b>107'053</b>	<b>99'913</b>	<b>7.1</b>

<sup>1</sup> The return on capital (annual profit in relation to balance sheet total) amounted to 0.58 per cent as at 31 December 2024 and to 0.58 per cent as at 31 December 2023 (pursuant to the Banking Ordinance, Art. 24e, Para. 1, Point 6).

# Distribution of balance sheet profit

The Board of Directors proposes to the General Meeting of Shareholders on 16 April 2025 that the balance sheet profit as at 31 December 2024 be distributed as follows:

<b>in CHF thousands</b>	<b>2024</b>	<b>2023</b>
Profit for the year	107'053	99'913
Balance brought forward	10'142	2'793
<b>Balance sheet profit</b>	<b>117'194</b>	<b>102'707</b>
<b>Distribution of balance sheet profit</b>		
Allocation to other reserves	20'000	10'000
Allocation to corporate capital (common stock) <sup>1</sup>	85'225	82'565
Balance carried forward <sup>1</sup>	11'969	10'142

<sup>1</sup> Shares eligible for dividends are all shares outstanding except for own shares as of record date. The amounts presented are based on the numbers of shares eligible for dividends as at 31 December 2024.

If this proposal is accepted, a dividend of CHF 2.80 per registered share will be paid out on 25 April 2025.

# Notes on business operations

Liechtensteinische Landesbank Aktiengesellschaft with its registered office in Vaduz and two domestic branch offices is active as a full-service (universal) bank. LLB AG is one of the three largest banks in Liechtenstein and has subsidiaries in Liechtenstein, Austria and Switzerland, as well as branches in Dubai and in Germany, and representative offices in Zurich, Geneva and Abu Dhabi. Adjusted for full-time equivalents, 811 people were employed as at 31 December 2024 (previous year: 749). The average headcount in 2024 amounted to 796 persons (previous year: 722) on a full-time equivalent basis.

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

## Commissions and fees business

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

## Credit and lending business

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

## Money market and interbank business

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

## Securities trading business

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

# Accounting policies and valuation principles

## Basic principles

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

## Recording of business

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

## Foreign currency translations

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

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

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

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

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

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

with the original contractual terms. To cover the risks in retail business, which are composed of numerous small claims, lump-sum individual allowances, calculated on the basis of empirical values, are made for the unsecured loans and overdrawn limits for which individual allowances have not already been considered.

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

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

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

### Participations

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

### Shares in associated companies

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

### Intangible assets

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

Low-cost acquisitions are charged directly to administrative expenses.

### Fixed assets

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

Low-cost acquisitions are charged directly to administrative expenses.

### Treasury shares

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



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

### Allowances and provisions

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

### Taxes

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

### Provisions for general banking risks

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

### Derivative financial instruments

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

### Off-balance sheet transactions

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

### Statement of cash flows

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

# Notes to the balance sheet

## 1 Type of collateral a Types of cover

in CHF thousands	Type of collateral			Total
	Secured by mortgage	Other collateral	Unsecured	
<b>Loans</b>				
Loans (excluding mortgage loans)	147'411	533'614	610'135	1'291'160
<b>Mortgage loans</b>				
residential property	5'879'995	22'813	21'671	5'924'479
office and business property	1'056'819	2'925	0	1'059'744
commercial and industrial property	300'876	0	22'000	322'876
other	260'957	0	0	260'957
<b>Total loans</b>	<b>31.12.2024</b>	<b>7'646'059</b>	<b>559'352</b>	<b>8'859'217</b>
	31.12.2023	6'893'795	539'455	8'259'145
<b>Off-balance sheet transactions</b>				
Contingent liabilities	1'900	23'634	6'826	32'360
Irrevocable commitments	117'485	53'735	194'425	365'646
Deposit and call liabilities	0	0	1'178	1'178
<b>Total off-balance sheet transactions</b>	<b>31.12.2024</b>	<b>119'386</b>	<b>77'370</b>	<b>399'185</b>
	31.12.2023	101'492	85'802	436'118

## b Claims at risk

in CHF thousands	Gross outstanding amount	Estimated proceeds from realisation of collateral	Net outstanding amount	Specific allowances
<b>31.12.2024</b>	<b>103'296</b>	<b>74'717</b>	<b>74'717</b>	<b>28'579</b>
31.12.2023	70'667	37'396	37'396	33'271

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

in CHF thousands	Book value		Cost		Market value	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Equities	10	11	68	68	10	11
<b>Total</b>	<b>10</b>	<b>11</b>	<b>68</b>	<b>68</b>	<b>10</b>	<b>11</b>
of which eligible securities	0	0	0	0	0	0

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

in CHF thousands	Book value		Cost		Market value	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Debt securities	2'316'060	2'092'912	2'353'410	2'165'449	2'348'569	2'114'833
of which own bonds and medium-term notes	0	0	0	0	0	0
Equities	24'498	13'263	24'802	13'523	25'745	14'014
of which qualified participations (at least 10 % of the capital or votes)	0	0	0	0	0	0
<b>Total</b>	<b>2'340'559</b>	<b>2'106'175</b>	<b>2'378'212</b>	<b>2'178'972</b>	<b>2'374'314</b>	<b>2'128'847</b>
of which eligible securities	1'410'396	1'170'831	1'427'239	1'215'479	1'431'663	1'182'013

### c Securities and precious metals as fixed assets

in CHF thousands	Book value		Cost		Market value	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Equities	182'023	189'329	212'130	213'996	222'765	216'689
of which qualified participations (at least 10 % of the capital or votes)	5'015	10'530	9'165	15'167	8'012	13'819
Precious metals	73'736	68'331	73'736	68'331	73'736	68'331
<b>Total</b>	<b>255'759</b>	<b>257'660</b>	<b>285'866</b>	<b>282'327</b>	<b>296'501</b>	<b>285'020</b>
of which eligible securities	0	0	0	0	0	0

### 3 Participations and shares in associated companies

in CHF thousands	31.12.2024	31.12.2023
<b>Participations</b>		
Without market value	23	24
<b>Total participations</b>	<b>23</b>	<b>24</b>
<b>Shares in associated companies</b>		
Without market value	653'465	653'495
<b>Total shares in associated companies</b>	<b>653'465</b>	<b>653'495</b>

### 4 Statement of fixed assets

in CHF thousands	Cost	Accumulat- ed depreciation	Book value 31.12.2023	Invest- ments	Dis- invest- ments	Reclassi- fications	Additions	Depre- ciation	Book value 31.12.2024
<b>Total participations (non-controlling interests)</b>	<b>37</b>	<b>- 13</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>- 1</b>	<b>23</b>
<b>Total shares in associated companies</b>	<b>651'864</b>	<b>1'631</b>	<b>653'495</b>	<b>0</b>	<b>- 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>653'465</b>
<b>Total securities and precious metals as fixed assets</b>	<b>368'203</b>	<b>- 110'544</b>	<b>257'660</b>	<b>452'735</b>	<b>- 454'636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>255'759</b>
<b>Total intangible assets <sup>1</sup></b>	<b>161'856</b>	<b>- 110'898</b>	<b>50'958</b>	<b>19'455</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>- 11'427</b>	<b>58'987</b>
<b>Real estate</b>									
bank premises	164'527	- 109'244	55'283	15'611	0	0	0	- 3'140	67'755
other properties	17'128	- 2'128	15'000	0	0	0	0	0	15'000
Other fixed assets	69'248	- 51'829	17'419	6'775	0	0	0	- 5'714	18'480
<b>Total fixed assets</b>	<b>250'903</b>	<b>- 163'200</b>	<b>87'703</b>	<b>22'387</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>- 8'854</b>	<b>101'235</b>

<sup>1</sup> Solely licences and software

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

in CHF thousands	31.12.2024	31.12.2023
Fire insurance value of real estate	182'683	182'683
Fire insurance value of other fixed assets	39'068	37'221
Liabilities: future leasing installments from operational leasing	70	104
Intended for resale		
Properties	1'710	2'620
Participations	0	0
(not included in the statement of fixed assets)		

## 5 Substantial participations and shares in associated companies

Company name and registered office	Business activity	Currency	Share capital	% share of votes	% share of capital
<b>Participations</b>					
Data Info Services AG, Vaduz	Service company	CHF	50'000	50.0	50.0
<b>Shares in associated companies</b>					
Liechtensteinische Landesbank (Österreich) AG, Vienna	Bank	EUR	5'000'000	100.0	100.0
LLB (Schweiz) AG, Uznach	Bank	CHF	16'108'060	100.0	100.0
LLB Asset Management AG, Vaduz	Asset management	CHF	1'000'000	100.0	100.0
LLB Fund Services AG, Vaduz	Fund management company	CHF	2'000'000	100.0	100.0
LLB Holding AG, Uznach	Holding company	CHF	95'328'000	100.0	100.0
LLB Swiss Investment AG, Zurich	Fund management company	CHF	8'000'000	100.0	100.0
<b>Total amount from shares in associated banks and securities firms reported in shares in associated companies</b>		<b>CHF</b>	<b>32'108'060</b>		

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

Quantity / in CHF thousands	Quantity		Book value	
	2024	2023	2024	2023
As at 1 January	208'055	179'881	13'087	10'037
Bought	207'630	70'645	14'751	4'463
Sold	- 53'303	- 42'471	- 3'205	- 2'624
Additions / (Impairments)	0	0	- 311	1'210
<b>As at 31 December</b>	<b>362'382</b>	<b>208'055</b>	<b>24'321</b>	<b>13'087</b>

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

## 7 Other assets and liabilities

in CHF thousands	31.12.2024	31.12.2023	+/- %
Precious metals holdings	73'736	68'331	7.9
Tax prepayments / Withholding tax	5'145	4'466	15.2
Positive replacement values <sup>1</sup>	472'551	300'960	57.0
Settlement account	63'769	41'394	54.1
Clearing accounts	1'894	1'674	13.1
Taken-over real estate	1'710	2'620	- 34.7
Deferred tax claim	4'111	3'526	16.6
<b>Total other assets</b>	<b>622'915</b>	<b>422'971</b>	<b>47.3</b>
Charge accounts	5'834	4'427	31.8
Negative replacement values <sup>1</sup>	410'749	363'580	13.0
Accounts payable	26'387	34'267	- 23.0
Settlement account	71'935	72'727	- 1.1
Clearing accounts	43'967	28'290	55.4
<b>Total other liabilities</b>	<b>558'872</b>	<b>503'291</b>	<b>11.0</b>

<sup>1</sup> Replacement values are shown gross.

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

### a Due from and due to participations and associated companies

in CHF thousands	31.12.2024	31.12.2023	+/- %
Due from associated companies	1'764'437	1'423'845	23.9
Due to associated companies	1'361'343	1'202'319	13.2
Due from participations	0	0	
Due to participations	0	0	

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

in CHF thousands	31.12.2024	31.12.2023	+/- %
Due from the Principality of Liechtenstein	4'634	3'820	21.3
Due to the Principality of Liechtenstein	437'175	388'976	12.4
Due from companies associated with the Principality of Liechtenstein <sup>1</sup>	97'995	99'335	- 1.3
Due to companies associated with the Principality of Liechtenstein <sup>1</sup>	153'263	175'867	- 12.9

<sup>1</sup> Associated companies: Liechtensteinische Kraftwerke, Liechtenstein Wärme, Telecom Liechtenstein AG, Liechtensteinische Post AG, Verkehrsbetrieb LIECHTENSTEINmobil, AHV-IV-FAK-Anstalt and Finanzmarktaufsicht Liechtenstein.

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

### c Loans to corporate bodies

in CHF thousands	31.12.2024	31.12.2023	+/- %
Members of the Board of Directors	670	671	- 0.1
Members of the Board of Management	1'910	1'910	0.0

### d Transactions with associated companies and related parties

Transactions (e.g. securities transactions, payment transfers, lending facilities and interest on deposits) were made with related parties under the same terms and conditions as applicable to third parties. These exclude loans of up to CHF 1 million made to management, which are subject to the preferential interest rate for staff.

## 9 Bonds issued

Year issued	Name	Currency	Maturity	Nominal interest rate in %	in CHF thousands		
					Nominal value	2024	2023
2019	Liechtensteinische Landesbank AG 0.125% Senior Preferred Anleihe 2019 – 2026	CHF	28.05.2026	0.125 %	150'000	150'000	150'000
2019	Liechtensteinische Landesbank AG 0.000% Senior Preferred Anleihe 2019 – 2029	CHF	27.09.2029	0.000 %	100'000	100'000	100'000
2020	Liechtensteinische Landesbank AG 0.300% Senior Preferred Anleihe 2020 – 2030	CHF	24.09.2030	0.300 %	150'000	150'000	150'000
2023	Liechtensteinische Landesbank AG 2.5 % Senior Non-Preferred Anleihe 2023 – 2030	CHF	22.11.2030	2.500 %	150'000	150'000	150'000
2024	Liechtensteinische Landesbank AG 1.6% Senior Preferred Anleihe 2024 – 2034	CHF	30.10.2034	1.600 %	200'000	200'000	

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

in CHF thousands	Total 31.12.2023	Provisions applied	Recoveries, overdue interest, currency differences	New provisions charged to income statement	Provisions re- leased to in- come state- ment	Total 31.12.2024
<b>Allowances for loan default risks</b>						
Specific allowances	33'271	- 100	1'819	397	- 6'809	28'579
Provisions for contingent liabilities and credit risks	38	0	0	0	- 15	23
Provisions for other business risks	4'015	- 74	0	964	- 1'218	3'686
Provisions for taxes and deferred taxes	13'683	- 9'765	0	13'548	- 820	16'646
Other provisions	0	0	0	0	0	0
<b>Total allowances and provisions</b>	<b>51'007</b>	<b>- 9'939</b>	<b>1'819</b>	<b>14'909</b>	<b>- 8'862</b>	<b>48'934</b>
Minus allowances	- 33'271					- 28'579
<b>Total provisions according to balance sheet</b>	<b>17'735</b>					<b>20'355</b>
<b>Provisions for general banking risks</b>	<b>350'000</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>350'000</b>

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

in CHF thousands	31.12.2024			31.12.2023		
	Total nominal value	Quantity	Capital ranking for dividend	Total nominal value	Quantity	Capital ranking for dividend
Share capital	154'000	30'800'000	152'188	154'000	30'800'000	152'960
<b>Total common stock</b>	<b>154'000</b>	<b>30'800'000</b>	<b>152'188</b>	<b>154'000</b>	<b>30'800'000</b>	<b>152'960</b>

No conditional or authorised capital exists.

in CHF thousands	31.12.2024		31.12.2023	
	Nominal	Holding in %	Nominal	Holding in %
With voting right: Principality of Liechtenstein	86'681	56.3	86'681	56.3
With voting right: shareholder group Haselsteiner Familien-Privatstiftung and grosso Holding Gesellschaft mbH	9'025	5.9	9'025	5.9

## 12 Statement of equity

in CHF thousands	2024
Share capital	154'000
Share premium	47'750
Legal reserves	390'550
Reserve for own shares	13'087
Other reserves	811'443
Provisions for general banking risks	350'000
Balance sheet profit / (loss)	102'707
<b>Total equity as at 1 January (before profit distribution)</b>	<b>1'869'536</b>
Dividend and other distributions from previous year's profit	- 82'565
Net profit for the year	107'053
Allocation to provisions for general banking risks	0
<b>Total equity as at 31 December (before profit distribution)</b>	<b>1'894'024</b>
Of which:	
Share capital	154'000
Share premium	47'750
Legal reserves	390'550
Reserve for own shares	24'321
Other reserves	810'209
Provisions for general banking risks	350'000
Balance sheet profit / (loss)	117'194

## 13 Liabilities due to own pension funds

in CHF thousands	31.12.2024	31.12.2023	+/- %
Current account, call money and time deposits	7'928	4'396	80.4
Savings deposits	15	21	- 28.1
<b>Total</b>	<b>7'942</b>	<b>4'416</b>	<b>79.9</b>

Further information is provided in the relevant [note](#) to the consolidated financial statement.

## 14 Breakdown of assets and liabilities by location

in CHF thousands	31.12.2024		31.12.2023	
	Domestic <sup>1</sup>	Abroad	Domestic <sup>1</sup>	Abroad
<b>Assets</b>				
Cash and balances with central banks	2'832'127	0	3'774'559	0
Due from banks	2'357'401	240'821	1'293'945	176'634
Loans (excluding mortgages)	819'855	471'305	882'494	366'032
Mortgage loans	7'568'057	0	7'010'619	0
Bonds and other fixed-interest securities	329'532	1'986'528	300'633	1'792'278
Shares and other non-fixed-interest securities	177'261	4'950	183'356	6'160
Participations	23	0	24	0
Shares in associated companies	284'006	369'459	284'036	369'459
Intangible assets	58'987	0	50'958	0
Fixed assets	101'235	0	87'703	0
Own shares	24'321	0	13'087	0
Other assets	423'237	199'678	220'257	202'714
Accrued income and prepayments	98'534	70'433	94'553	35'993
<b>Total assets</b>	<b>15'074'577</b>	<b>3'343'173</b>	<b>14'196'224</b>	<b>2'949'272</b>
<b>Liabilities</b>				
Due to banks	743'378	1'090'484	378'727	1'126'332
Due to customers (excluding savings deposits)	7'372'632	3'936'472	7'321'828	3'521'864
Savings deposits	1'526'171	341'626	1'337'308	319'595
Certified liabilities	812'941	0	658'950	0
Other liabilities	342'187	216'684	334'011	169'280
Accrued expenses and deferred income	39'607	81'188	23'702	66'626
Provisions	20'355	0	17'735	0
Provisions for general banking risks	350'000	0	350'000	0
Share capital	154'000	0	154'000	0
Share premium	47'750	0	47'750	0
Legal reserves	390'550	0	390'550	0
Reserves for own shares	24'321	0	13'087	0
Other reserves	810'209	0	811'443	0
Profit carried forward	10'142	0	2'793	0
Profit for the year	107'053	0	99'913	0
<b>Total liabilities</b>	<b>12'751'295</b>	<b>5'666'455</b>	<b>11'941'798</b>	<b>5'203'698</b>

<sup>1</sup> Pursuant to the Banking Ordinance (Art. 24e, Para. 1), Switzerland is regarded as "inland".

## 15 Geographical breakdown of assets by location

	31.12.2024		31.12.2023	
	Absolute value	% of total	Absolute value	% of total
Liechtenstein / Switzerland	15'074'577	81.8	14'196'224	82.8
Europe (excluding Liechtenstein / Switzerland)	2'394'401	13.0	2'007'987	11.7
North America	528'460	2.9	545'885	3.2
South America	6'322	0.0	8'540	0.0
Africa	11'445	0.1	13'352	0.1
Asia	270'925	1.5	234'106	1.4
Others	131'619	0.7	139'401	0.8
<b>Total assets</b>	<b>18'417'750</b>	<b>100.0</b>	<b>17'145'495</b>	<b>100.0</b>

## 16 Breakdown of assets and liabilities by currency

in CHF thousands	CHF	EUR	USD	Others	Total
<b>Assets</b>					
Cash and balances with central banks	2'818'989	12'668	277	192	2'832'127
Due from banks	2'151'903	201'049	56'874	188'396	2'598'222
Loans (excluding mortgages)	776'354	306'201	153'936	54'669	1'291'160
Mortgage loans	7'568'057	0	0	-0	7'568'057
Bonds and other fixed-interest securities	596'304	878'738	841'018	0	2'316'060
Shares and other non-fixed-interest securities	176'354	3'627	2'229	0	182'211
Participations	23	0	0	0	23
Shares in associated companies	653'465	0	0	0	653'465
Intangible assets	58'987	0	0	0	58'987
Fixed assets	101'235	0	0	0	101'235
Own shares	24'321	0	0	0	24'321
Other assets	580'929	10'249	29'356	2'382	622'915
Accrued income and prepayments	83'243	26'226	43'678	15'819	168'967
<b>Total on-balance sheet assets</b>	<b>15'590'164</b>	<b>1'438'759</b>	<b>1'127'368</b>	<b>261'458</b>	<b>18'417'750</b>
Delivery claims from forex spot, forex futures and forex options transactions	4'982'269	8'291'237	8'182'291	2'115'090	23'570'887
<b>Total assets as at 31.12.2024</b>	<b>20'572'433</b>	<b>9'729'996</b>	<b>9'309'660</b>	<b>2'376'548</b>	<b>41'988'637</b>
<b>Liabilities</b>					
Due to banks	702'696	697'400	312'702	121'064	1'833'861
Due to customers (excluding savings deposits)	5'587'325	3'259'128	1'640'375	822'276	11'309'105
Savings deposits	1'864'975	2'822	0	-0	1'867'797
Certified liabilities	810'239	2'702	0	0	812'941
Other liabilities	519'295	6'749	17'351	15'477	558'872
Accrued expenses and deferred income	36'012	23'744	42'948	18'091	120'795
Provisions	20'355	0	0	0	20'355
Provisions for general banking risks	350'000	0	0	0	350'000
Share capital	154'000	0	0	0	154'000
Share premium	47'750	0	0	0	47'750
Legal reserves	390'550	0	0	0	390'550
Reserves for own shares	24'321	0	0	0	24'321
Other reserves	810'209	0	0	0	810'209
Profit carried forward	10'142	0	0	0	10'142
Profit for the year	107'053	0	0	0	107'053
<b>Total on-balance sheet liabilities</b>	<b>11'434'921</b>	<b>3'992'545</b>	<b>2'013'376</b>	<b>976'908</b>	<b>18'417'750</b>
Delivery liabilities from forex spot, forex futures and forex options transactions	8'999'485	5'755'553	7'284'767	1'479'612	23'519'416
<b>Total liabilities as at 31.12.2024</b>	<b>20'434'406</b>	<b>9'748'098</b>	<b>9'298'143</b>	<b>2'456'520</b>	<b>41'937'166</b>
<b>Net position per currency as at 31.12.2024</b>	<b>138'027</b>	<b>- 18'102</b>	<b>11'517</b>	<b>- 79'972</b>	<b>51'471</b>



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

in CHF thousands	31.12.2024	31.12.2023
<b>Excluding lending transactions and pension transactions with securities</b>		
Book value of pledged and (as collateral) assigned assets	376'102	182'570
Actual commitments	0	0
<b>Lending transactions and pension transactions with securities</b>		
Self-owned securities lent or delivered as collateral within the scope of securities lending or borrowing transactions, or self-owned securities transferred in connection with repurchase agreements	3'346	1'799
of which capable of being resold or further pledged without restrictions	3'346	1'799
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	0
of which resold or further pledged securities	0	0

## 18 Maturity structure of assets, liabilities and provisions

in CHF thousands	Sight deposits	Callable	Due within 3 months	Due between 3 months to 12 months	Due between 12 months to 5 years	Due after 5 years	Immo-bilised	Total
<b>Assets</b>								
Cash and balances with central banks	2'832'127	0	0	0	0	0	0	2'832'127
Due from banks	596'537	80'000	930'000	80'800	410'556	500'329	0	2'598'222
Loans	6'198	373'004	4'670'859	593'654	2'400'258	815'243	0	8'859'217
of which mortgage loans	4'349	– 1'509	3'920'997	516'879	2'323'012	804'330	0	7'568'057
Securities and precious metals held for trading	10	0	0	0	0	0	0	10
Securities and precious metals holdings as current assets (excluding trading positions)	2'340'559	0	0	0	0	0	0	2'340'559
Securities and precious metals holdings as fixed assets	73'736	182'023	0	0	0	0	0	255'759
Other assets	865'259	6	275'073	150'499	30'177	107'898	102'945	1'531'856
<b>Total assets as at 31.12.2024</b>	<b>6'714'425</b>	<b>635'033</b>	<b>5'875'932</b>	<b>824'953</b>	<b>2'840'991</b>	<b>1'423'470</b>	<b>102'945</b>	<b>18'417'750</b>
Total assets as at 31.12.2023	7'113'889	599'951	5'189'909	606'823	2'177'160	1'367'440	90'323	17'145'495
<b>Liabilities and provisions</b>								
Due to banks	868'745	14	592'439	240'896	131'768	0	0	1'833'861
Due to customers	5'663'830	1'966'129	4'709'797	692'674	134'519	9'953	0	13'176'902
of which savings deposits	0	1'855'640	11'079	1'077	0	0	0	1'867'797
of which other liabilities	5'663'830	110'489	4'698'718	691'597	134'519	9'953	0	11'309'105
Certified liabilities	0	0	6'522	6'849	289'097	510'474	0	812'941
bonds issued	0	0	6'522	6'849	289'097	510'474	0	812'941
of which medium-term notes	0	0	6'522	6'849	39'097	10'474	0	62'941
other certified liabilities	0	0	0	0	250'000	500'000	0	750'000
Provisions (excluding provisions for general banking risks)	0	0	0	0	20'355	0	0	20'355
Other liabilities	175'229	0	220'380	147'830	29'262	106'967	0	679'667
<b>Total liabilities and provisions as at 31.12.2024</b>	<b>6'707'803</b>	<b>1'966'143</b>	<b>5'529'137</b>	<b>1'088'249</b>	<b>605'001</b>	<b>627'394</b>	<b>0</b>	<b>16'523'726</b>
Total liabilities and provisions as at 31.12.2023	4'915'594	1'654'415	6'941'391	961'655	314'429	488'475	0	15'275'959

Bonds and other fixed-interest securities that are due in the following financial year

593'329

# Notes to off-balance sheet transactions

## 19 Contingent liabilities

in CHF thousands	31.12.2024	31.12.2023	+/- %
Credit guarantees and similar instruments	11'016	12'414	- 11.3
Performance guarantees and similar instruments	12'605	14'461	- 12.8
Other contingent liabilities	8'739	8'172	6.9
<b>Total contingent liabilities</b>	<b>32'360</b>	<b>35'046</b>	<b>- 7.7</b>

## 20 Open derivative contracts

in CHF thousands	Trading instruments			Hedging instruments			
	Positive replacement value	Negative replacement value	Contract volume	Positive replacement value	Negative replacement value	Contract volume	
<b>Interest rate instruments</b>							
Swaps	0	0	0	71'935	61'979	3'233'884	
<b>Foreign exchange contracts</b>							
Forward contracts	105'886	38'387	4'397'542	0	0	0	
Combined interest rate / currency swaps	292'196	307'850	19'097'074	0	0	0	
Options (OTC)	491	491	41'266	0	0	0	
<b>Precious metals</b>							
Options (OTC)	2'042	2'041	35'006	0	0	0	
<b>Total excluding netting agreements</b>	<b>31.12.2024</b>	<b>400'616</b>	<b>348'770</b>	<b>23'570'887</b>	<b>71'935</b>	<b>61'979</b>	<b>3'233'884</b>
	31.12.2023	228'232	325'133	21'047'158	72'727	38'447	2'445'260

Liechtensteinische Landesbank AG has concluded no netting agreements.

## 21 Fiduciary transactions

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

# Notes to the income statement

## 22 Income from trading operations

in CHF thousands	2024	2023	+/- %
Foreign exchange trading	172'603	130'985	31.8
Foreign note trading	192	- 926	
Precious metals trading	2'786	2'004	39.1
Securities trading	2	9	- 71.5
<b>Total net trading income</b>	<b>175'583</b>	<b>132'072</b>	<b>32.9</b>

## 23 Personnel expenses

in CHF thousands	2024	2023	+/- %
Salaries and compensations	- 124'558	- 108'604	14.7
Social benefits and retirement benefit plans	- 26'597	- 23'321	14.1
of which retirement benefit plans	- 17'634	- 15'852	11.2
Other personnel expenses	- 5'075	- 4'147	22.4
<b>Total personnel expenses</b>	<b>- 156'230</b>	<b>- 136'071</b>	<b>14.8</b>

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

## 24 Administrative expenses

in CHF thousands	2024	2023	+/- %
Occupancy expenses	- 5'088	- 4'401	15.6
Expenses for IT, machinery, furniture, vehicles and other equipment	- 29'153	- 26'131	11.6
Other business expenses	- 40'006	- 38'265	4.6
<b>Total administrative expenses</b>	<b>- 74'247</b>	<b>- 68'797</b>	<b>7.9</b>

## 25 Sundry ordinary income

in CHF thousands	2024	2023	+/- %
Net income from properties	831	1'275	- 34.8
Non-period income	2'089	142	
Realised gains from the sale of fixed assets	274	3	
Other ordinary income <sup>1</sup>	39'167	35'891	9.1
<b>Total sundry ordinary income</b>	<b>42'361</b>	<b>37'311</b>	<b>13.5</b>

<sup>1</sup> Of which CHF 35.7 million from services for other companies of the LLB Group (previous year: CHF 33.7 million)

## 26 Other ordinary expenses

in CHF thousands	2024	2023	+/- %
Losses on receivables	- 73	- 67	8.7
Sundry other ordinary expenses	- 562	- 489	15.1
<b>Total other ordinary expenses</b>	<b>- 635</b>	<b>- 556</b>	<b>14.3</b>

# Risk management

## Overview

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

## Market risks

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

## Credit default risks

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

In order to ensure responsible lending and to take account of the increasing regulatory requirements, each property must be valued and the loan-to-value ratio determined. The internal work manual "Real Estate Valuations" forms the basis for determining a market-conforming loan-to-value ratio for real estate in the Swiss and Liechtenstein markets of the LLB Group. Applied are the common valuation theory and technical recognized methods:

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

### Operational and legal risks

LLB AG defines operational risks to be the danger of losses arising from the failure of internal processes, personnel or IT systems, as well as from external events. This includes financial losses resulting from legal or compliance risks. LLB AG has in place an active and systematic operational risk management. Within LLB AG, possible losses or losses incurred by all organisational units are recorded and evaluated. The same applies to important external events. Risks are restricted by means of internal organisational regulations and controls.

### Liquidity risks

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

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

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



# Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

**Statutory Auditor's Report  
on the Financial Statements  
to the General Meeting  
2024 Financial Statements**



# Statutory Auditor's Report

To the General Meeting of Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## Report on the Audit of the Financial Statements

### Opinion

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

In our opinion, the financial statements (pages 251 to 270) give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance for the year then ended in accordance with Liechtenstein law.

### Basis for Opinion

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

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

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

### Key Audit Matters



#### RECOVERABILITY OF LOANS

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



## RECOVERABILITY OF LOANS

### Key Audit Matter

As at 31 December 2024, the Bank reports loans of CHF 8.9 billion, representing 48.1 % of total assets.

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

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

### Our response

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

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

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

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

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

- Pages 256 to 258: Accounting policies and valuation principles
- Page 259: Notes to the balance sheet: 1 Type of collateral
- Page 263: Notes to the balance sheet: 10 Allowances and provisions

### Other Information

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

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

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

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

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

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

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





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

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

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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

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

We were elected as statutory auditor by the General Meeting on 19 April 2024. We have been the statutory auditor of the Company without interruption since the financial year ending on 31 December 2021.

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

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

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

Further, we declare 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 management report (page 250) has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

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

KPMG (Liechtenstein) AG

Moreno Halter  
Chartered Accountant  
Auditor in Charge

Mirko Liberto  
Chartered Accountant (CH)

Vaduz, 20 February 2025