Economic environment

International perspectives

The global economy returned to a stable growth path in 2024 after the turmoil of the pandemic. Contrary to historical experience, the restrictive monetary policy did not stifle the humming US economic engine and the US economy was one of the best of the major industrialised countries with robust growth rates.

Euro zone

In the eurozone, on the other hand, there was no economic success in 2024. Economic growth was moderate and only slightly above stagnation. Germany, which is still struggling with the consequences of the 2022 energy shock, was under particular pressure. The German economy was barely growing – industry is in crisis.

Asia

In China, the property crisis was dampening economic growth. Households and companies were holding back on consumption and investment. India's economy has lost some of its momentum, but is still impressing with its rate of expansion.

Monetary policy

Inflation has eased further in 2024, although the pace has slowed considerably compared to the previous year. Switzerland was able to maintain its price stability and is battling against inflation rates that are too low. In the other industrialised countries, on the other hand, inflation rates were generally too high, but the inflation target is within sight.

For this reason, the central banks were able to ease monetary policy. Although the central bank in Japan has raised interest rates, central banks in all other major industrialised and emerging countries have lowered them. In Switzerland, there were even more interest rate cuts than in the USA or the eurozone.

Financial markets

As a result, the return on Swiss bonds in 2024 was higher than that of foreign markets. Thanks to falling risk premiums, corporate bonds generated a higher return than government bonds.

2024 was an excellent year for equities. With a return of 7 per cent, the Swiss market was a laggard, while the US market was driven by a euphoric technology sector and set the tone with 25 per cent.

Gold can also look back on an outstanding year with a performance of 25 per cent.

The LLB share

Market capitalisation

The LLB share has been listed on the Swiss stock market, SIX Swiss Exchange, since 1993 under the symbol LLBN (security number 35514757) and assigned to the "International Reporting Standard" segment. In 2024, around 1.6 million LLB shares (2023: 1.5 million) were traded, corresponding to 5.2 per cent (2023: 4.9 %) of total shares issued. With 30.8 million registered shares issued, the market capitalisation of Liechtensteinische Landesbank AG stood at CHF 2.2 billion as at 31 December 2024 (31.12.2023: CHF 2.0 billion).

Shareholder structure

The Principality of Liechtenstein held 17’336’215 LLB shares or an unchanged 56.3 per cent of the share capital at the end of the report year.

In 2011, the government of Liechtenstein adopted its participation strategy in LLB and revised it in January 2024. In this strategy it explicitly supports the stock exchange listing of LLB. In addition, the State of Liechtenstein renewed its commitment to retaining a majority shareholding of at least 51 per cent of LLB shares. At the same time, it accepted the entrepreneurial autonomy as well as the rights and obligations arising from the stock exchange listing (see chapter Economic role and regional employer).

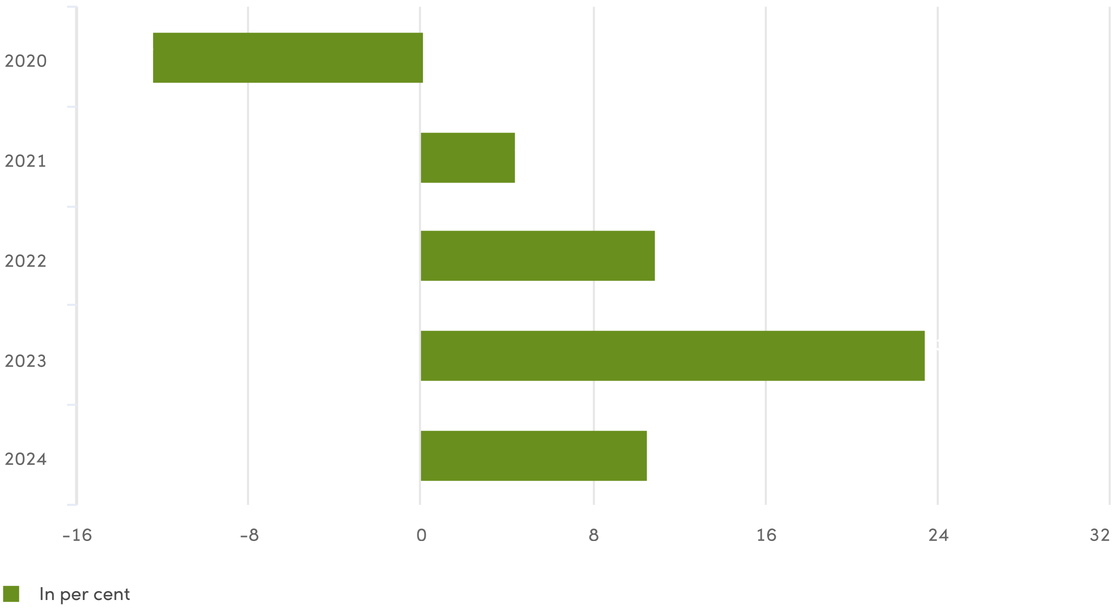
As at 31 December 2024, 5.9 per cent of the shares were owned by Haselsteiner Familien-Privatstiftung and grosso Holding Gesellschaft mbH, both of which are domiciled in Austria. UBS Fund Management (Switzerland) AG held a stake of over 3 per cent.
LLB held 1.2 per cent of its own shares at the end of the report year (31.12.2023: 0.7 %). The remaining registered shares were in free float, whereby none of the other shareholders held more than 3 per cent of the share capital (see chapter Corporate governance report).

Overall 89.6 per cent of the 30.8 million total, registered shares were entered in LLB AG’s share register at the end of 2024. 10.4 per cent, or 3’187’031 shares were not registered.

Share price performance

The US market rushed ahead of all the other markets, the Swiss market lagged behind. As measured by the Swiss Performance Index (SPI), shares listed on the Swiss stock exchange rose by 6.2 per cent. The values in the Swiss Banking Index (SWX) grew in the same range. The Index registered a gain of 5.9 per cent for 2024, following a plus of 5.8 per cent in 2023. The LLB share significantly exceeded these figures and achieved a pleasing total return of 10.5 per cent in the report year. The highest price for the year was CHF 76.30 and the lowest price for the year was CHF 65.10.

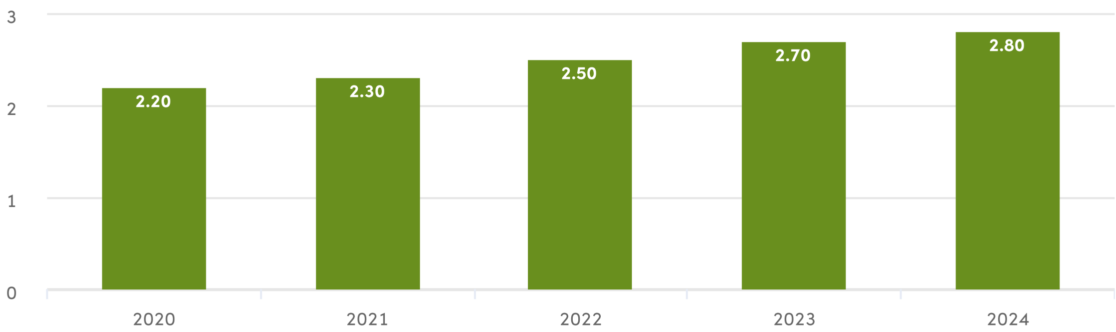
Total return on the LLB share



Dividend policy

The LLB Group pursues an attractive, long-term-oriented dividend policy for the benefit of its shareholders. We are also committed to safeguarding our financial security and stability. Under the ACT-26 strategy, we intend to keep equity at a Tier 1 ratio of over 16 per cent. We will continue with our sustainable and attractive dividend policy. The payout ratio should be more than 50 per cent. We are also striving for a continuous increase in the dividend (see chapter Strategy and organisation).

Dividend per share (2020–2024[1] in CHF)



[1] The Board of Directors will propose a dividend increase to CHF 2.80 for the year 2024 at the General Meeting on 16 April 2025.

At the General Meeting of Shareholders to be held on 16 April 2025, the Board of Directors will propose an increase in the dividend to CHF 2.80 (2023: CHF 2.70) per share. Based on the share price as at the end of 2024, this corresponds to a dividend yield of 4.0 per cent. The total dividends to be paid out amount to CHF 85.2 million (2023: CHF 82.6 million). This represents a payout ratio of 51.0 per cent for 2024 (2023: 50.1 %).

Analysts' recommendations

In August 2024, Michael Klien, the Zürcher Kantonalbank analyst responsible for the LLB share wrote: "The results for H1 24 showed that LLB is on course with the implementation of its strategy and that the most important initiatives have been launched." According to his assessment, this should lead to a positive leverage effect in terms of a growth in profit. Klien continues to rate the LLB share as "overweight".

Research Partners AG has been covering the LLB share since mid-2016. In his latest report, analyst Rainer Skierka confirmed his buy recommendation. "We do not see any specific, negative influences that could affect the company at the moment, which suggests a solid profit development. In addition, despite the cash settlement for the acquisition of the Austrian business of ZKB, there is still a solid equity base of more than CHF 2 billion, which corresponds to a total capital ratio (Tier 1) of nearly 19 %. The current share price does not adequately reflect this positive momentum as yet." The 12-month price target was increased from CHF 80.00 to CHF 86.00.

Communication with the capital market

The LLB Group publishes its annual and interim financial results (see chapter Information policy). We attach great importance to the preparation of the annual and interim reports in accordance with legal requirements. At the General Meeting of Shareholders too, the Board of Directors and the Executive Board provide transparent information about the course of business. Furthermore, we hold regular discussions with investors, provide information at roadshows and are represented at specialist conferences for financial analysts and investors. We usually hold a media and analyst conference on the annual results in Zurich.

All publicly accessible information about the LLB Group can be obtained from our website at llb.li. Anyone interested is welcome to register at llb.li/registration to receive price-relevant information about the LLB Group electronically. We also publish results via our social media channels such as Facebook and LinkedIn. We publish the annual and interim financial reports in a comprehensive online version. The Annual Report 2024 can be accessed online in German at gb2024.llb.li and in English at ar2024.llb.li

in CHF thousands	**31.12.2024**	**31.12.2023**
Total of registered shares issued (fully paid up)	30'800'000	30'800'000
Number of shares eligible for dividend	30'437'618	30'591'945
Free float (number of shares)	11'296'403	11'450'730
Free float (in per cent)	36.7	37.2
Year's high (16 August 2024 / 29 December 2023)	76.30	66.10
Year's low (3 January 2024 / 3 January 2023)	65.10	55.70
Year-end price	70.30	66.10
Total return LLB share (in per cent)	10.5	23.4
Performance SPI (in per cent)	6.2	6.1
Performance SWX Banking Index (in per cent)	5.9	5.8
Average trading volume (number of shares)	6'290	5'880
Market capitalization (in CHF billions)	2.17	2.04
Basic earnings per share attributable to the shareholders of LLB (in CHF)	5.47	5.37
Dividend per LLB share (in CHF)	2.80 [1]	2.70
Payout ratio (in per cent)	51.0	50.1
Dividend yield at year-end price (in per cent) [2]	4.0	4.1
Return on equity (in per cent) [2]	7.7	7.9
Eligible capital per LLB share (in CHF)	60.9	57.2

1 Proposal of the Board of Directors to the General Meeting of Shareholders on 16 April 2025
2 Definition available under https://www.llb.li/investors-apm

Retail & Corporate Banking

The Retail & Corporate Banking segment encompasses the universal banking business in the domestic markets of Liechtenstein and Switzerland and offers the complete spectrum of banking and financial services. Traditionally, savings and mortgage lending business have always played a very important role. This is supplemented by financial planning and corporate pension provisioning. In addition, asset management and investment advisory services are of crucial importance for private banking clients in the German-speaking region (Liechtenstein / Switzerland / Germany).

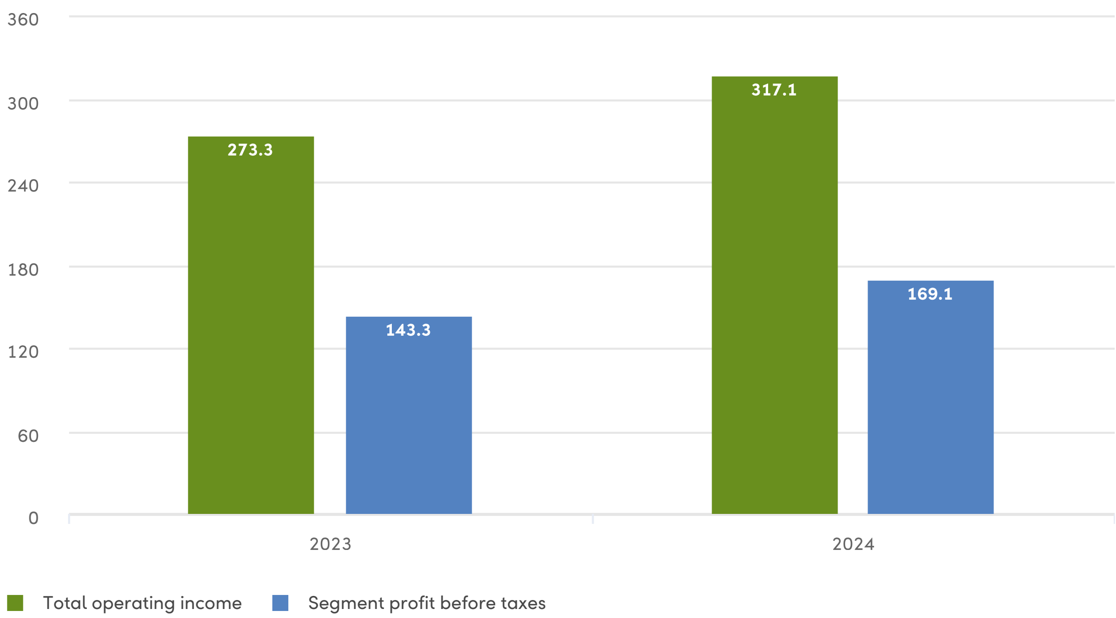
In retail and corporate banking business modern bank branches are combined with mobile and web-based services. LLB has three branches in Liechtenstein, as well as the business locations of LLB Schweiz in the Swiss regions of Linthgebiet, Zurichsee, Sarganserland, Ausserschwyz, Winterthur, Thurgau, Zurich and St. Gallen. Furthermore, since January 2024, for the first time, it has a branch in Germany with three business locations in Munich, Frankfurt und Düsseldorf.

Business segment result

The segment profit before tax rose by 18.0 per cent to CHF 169.1 million. Interest differential business, which comprises the largest proportion of earnings in the Retail & Corporate Banking Division, posted a 17.6 per cent increase. This was attributable to the continual growth of mortgage lending business and generally higher interest rate levels. Furthermore, risk provisions for credit losses were reduced by net CHF 9.3 million (2023: CHF 0.2 million net reduction). Several long-standing legal cases were settled and brought to a successful conclusion. Fee and commission income also developed positively to reach CHF 93.6 million, and therefore exceeded the previous year's result (2023: CHF 89.5 million). In total, operating income climbed by 16.0 per cent to CHF 317.1 million. The gross margin again improved and stood at 86 basis points. At 13.8 per cent, the rise in operating expenses was lower than the increase in operating income.

With a net new money inflow of CHF 1.0 billion, the segment again achieved a high growth rate of 4.7 per cent. The segment recorded further growth in lending business with loans to clients expanding by CHF 880 million. As a result, the business volume increased by 5.4 per cent to CHF 37.5 billion.

Business segment result: Retail & Corporate Banking (in CHF millions)



Segment reporting

in CHF thousands	2024	2023	+/– %
Net interest income	191’901	163’145	17.6
Expected credit losses	9’258	166	
Net interest income after expected credit losses	201’159	163’311	23.2
Net fee and commission income	93’619	89’542	4.6
Net trading income	19’219	18’590	3.4
Other income	3’108	1’876	65.7
Total operating income	**317’106**	**273’319**	**16.0**
Personnel expenses	– 56’501	– 45’430	24.4
General and administrative expenses	– 6’342	– 5’432	16.7
Depreciation	– 63	– 56	10.9
Services (from) / to segments	– 85’134	– 79’127	7.6
Total operating expenses	**– 148’040**	**– 130’046**	**13.8**
Segment profit before tax	**169’066**	**143’273**	**18.0**

Performance figures

	2024	2023
Gross margin (in basis points) [1]	85.7	79.9
Cost Income Ratio (in per cent) [1]	48.1	47.6
Net new money (in CHF millions) [1]	984	1’328
Growth of net new money (in per cent) [1]	4.7	6.9

1 Definition available under https://www.llb.li/investors-apm

Additional information

	31.12.2024	31.12.2023	+/– %
Business volume (in CHF millions) [1]	37’534	35’602	5.4
Assets under management (in CHF millions) [1]	22’004	20’952	5.0
Loans (in CHF millions)	15’530	14’650	6.0
Employees (full-time equivalents, in positions)	321	273	17.7

1 Definition available under https://www.llb.li/investors-apm

International Wealth Management

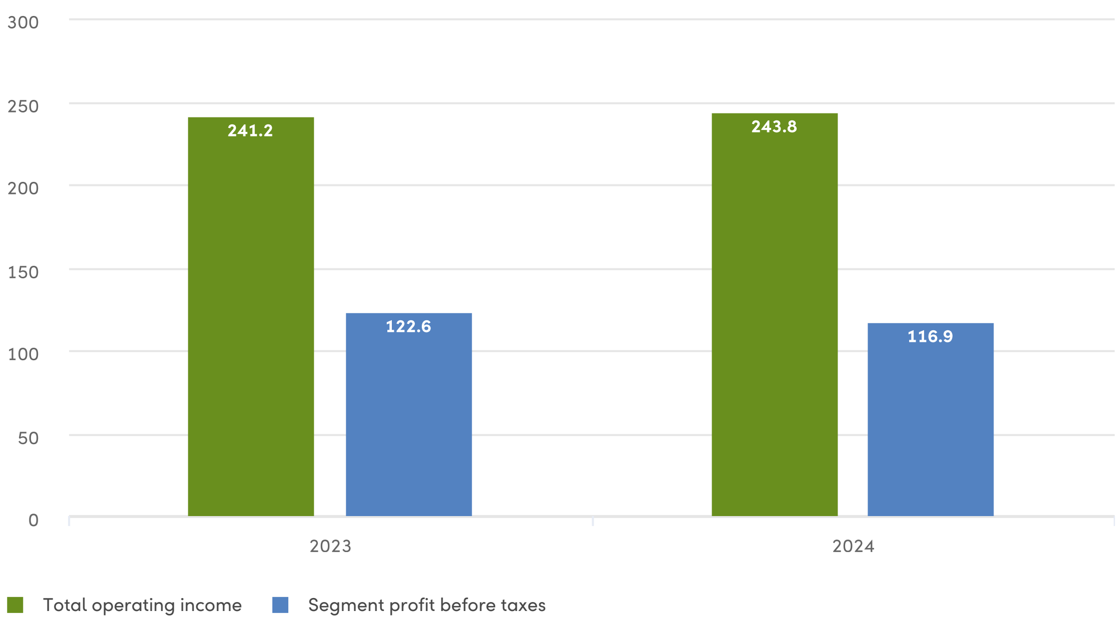
The International Wealth Management segment focuses on private banking clients as well as institutional and investment fund clients. In the private banking business area the emphasis lies on Austria and the rest of Europe as well as the growth markets in Central Europe and the Middle East. Investment advisory services, wealth management, asset structuring, financing facilities, as well as financial and retirement planning are our core competencies for these clients. The investment fund and institutional clients business areas encompass clients such as fiduciaries, asset managers, fund promoters, family offices as well as insurance companies, pension funds and public institutions. The focus lies on the home markets of Liechtenstein, Switzerland, Germany and Austria.

Business segment result

The segment result before taxes of the International Wealth Management segment amounted to CHF 116.9 million. In comparison with the equivalent period in the previous year, this represents a decrease of 4.6 per cent. Operating income remained stable at CHF 243.8 million. Thanks to higher client assets under management, fee and commission income climbed by 8.9 per cent to CHF 136.3 million. This increase partly compensated for the fall in interest income, which was attributable to clients switching their assets into fixed-interest products. In addition, a reduction occurred in the volume of high-margin client deposits in US dollars. In line with strategy, operating expenses rose by CHF 8.3 million to CHF 126.9 million.

Solid growth was achieved with net new money inflows, which climbed by CHF 1.3 billion. Pleasing increases were registered especially in investment fund business. For this reason, and on account of the positive market and currency development, client assets under management expanded by 13.2 per cent to CHF 73.9 billion.

Business segment result: International Wealth Management (in CHF millions)



Segment reporting

in CHF thousands	2024	2023	+/– %
Net interest income	85'969	102'632	– 16.2
Expected credit losses	– 15	– 321	– 95.3
Net interest income after expected credit losses	85'953	102'311	– 16.0
Net fee and commission income	136'323	125'184	8.9
Net trading income	19'144	18'448	3.8
Other income	2'402	– 4'749	
Total operating income	**243'822**	**241'194**	**1.1**
Personnel expenses	– 50'601	– 47'801	5.9
General and administrative expenses	– 6'654	– 6'357	4.7
Depreciation	– 363	– 346	4.9
Services (from) / to segments	– 69'323	– 64'133	8.1
Total operating expenses	**– 126'941**	**– 118'637**	**7.0**
Segment profit before tax	**116'882**	**122'557**	**– 4.6**

Performance figures

	2024	2023
Gross margin (in basis points) [1]	33.0	37.0
Cost Income Ratio (in per cent) [1]	52.1	49.1
Net new money (in CHF millions) [1]	1'303	– 299
Growth of net new money (in per cent) [1]	2.0	– 0.5

1 Definition available under https://www.llb.li/investors-apm

Additional information

	31.12.2024	31.12.2023	+/– %
Business volume (in CHF millions) [1]	75'018	66'130	13.4
Assets under management (in CHF millions) [1]	73'915	65'287	13.2
Loans (in CHF millions)	1'103	843	30.8
Employees (full-time equivalents, in positions)	275	268	2.3

1 Definition available under https://www.llb.li/investors-apm

Corporate Center

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

Business segment result

The LLB Group reports the structural contribution from interest business, the value of interest rate hedging instruments and income from financial investments under the Corporate Center. Operating income fell year on year to CHF 4.9 million. The decrease was attributable primarily to interest business. On the one hand, due to treasury measures, earnings shifted into trading business. On the other, the higher interest income occurred in the market divisions. In contrast, the structural contribution to the Corporate Center decreased. In spite of the higher personnel costs, operating expenses were down by 5.2 per cent to CHF 94.5 million, largely due to onward charging to the market divisions.

Segment reporting

in CHF thousands	2024	2023	+/- %
Net interest income	– 143’767	– 101’384	41.8
Expected credit losses	– 15	– 45	– 66.6
Net interest income after expected credit losses	– 143’782	– 101’429	41.8
Net fee and commission income	– 15’945	– 14’681	8.6
Net trading income	161’491	136’133	18.6
Net income from financial investments	6’231	7’262	– 14.2
Other income	– 3’136	– 30	
Total operating income	**4’860**	**27’255**	**– 82.2**
Personnel expenses	– 127’612	– 116’232	9.8
General and administrative expenses	– 85’450	– 88’147	– 3.1
Depreciation	– 35’926	– 38’603	– 6.9
Services (from) / to segments	154’457	143’260	7.8
Total operating expenses	**– 94’532**	**– 99’722**	**– 5.2**
Segment profit before tax	**– 89’672**	**– 72’467**	**23.7**

Additional information

	31.12.2024	31.12.2023	+/- %
Employees (full-time equivalents, in positions)	690	671	2.8

Finance and risk management

Framework

Assuming risk goes hand in hand with the business of banking. Sustainable and methodical finance and risk management is of crucial importance to ensure risk remains calculable. We, as the LLB Group, pursue a holistic approach. We attach great value to long-term financial management and forward-looking risk management at all levels of our organisation.

All risks that banks are exposed to are identified, assessed and monitored as part of risk management, whereby credit, market and operational risks in particular are taken into account. The aim is to maintain a balance between growth, opportunities and risks. In line with our holistic approach, risk management also includes the management of legal and compliance risks as well as information security.

The competences for the various areas of finance and risk management are bundled together in the Group CFO division.

Stability

Liechtenstein is one of the few countries in the world to have an AAA rating. In November 2024, the rating agency Standard & Poor's (S&P) reaffirmed the top rating for the country's creditworthiness. According to the report, the renewed top rating reflects Liechtenstein's solid financial position and the high efficiency of its policies.

As a systemically important bank, we are subject to particularly strict financial market regulation and high capital requirements. With the implementation of the European Union's Capital Requirements Directive (CRD V) and the establishment of the Deposit Guarantee and Investor Protection Foundation (EAS), Liechtenstein has a modern protection system that guarantees an adequate capital base and the protection of client deposits. For us as the LLB Group, too, a very solid capital base is a matter of course. We clearly exceed the required capital ratio (see paragraph Solid capitalisation).

Strategic expansion

As part of the ACT-26 corporate strategy, finance and risk management at the LLB Group has been significantly further developed in recent years. Particular attention has been paid to these topics:

- improvement in the efficiency of processes;
- prevention of money laundering, terrorist financing and sanctions circumvention;
- targeted strengthening of risk management.

The Group Business Risk Management department has been responsible for the management of operational risks since 2022. It comprises the areas of information security, data protection, cyber defence and the internal control system (see also the online special *LLB in flux*). In the 2024 financial year, we also created the new 'Group Financial Crime Compliance' division, which bundles measures to combat money laundering and the financing of terrorist and criminal activities as well as compliance with international sanctions. This emphasises the high priority of these processes within the LLB Group.

Financial management

The aim of our financial management is to create transparency at all levels of management in order that costs and income can be managed in line with corporate strategy in an efficient and timely manner. The key instruments used for this are:

- medium-term planning;
- the annual budgeting processes;
- key performance indicators from the Group's management information system;
- the planning and management of capital and liquidity.

The tasks of financial management include the preparation of the annual financial statements as well as meeting regulatory reporting requirements (see also chapter Accounting principles).

Risk management

We, as the LLB Group, have a prudent approach to risk. This is of paramount importance for our reputation, our excellent financial strength and our sustainable profitability. Based on our risk policy, our risk management encompasses the following aspects:

- systematic identification and assessment;
- reporting;
- management and monitoring of all material risks;
- asset liability management (ALM).

We have an appropriate organisational and methodological framework for assessing and managing risk (see chapter Risk management in the financial section).
Responsibility for the management of operational risks lies with the Business Group Risk Management Department. It covers the areas of:

- information security;
- data protection;
- cyber defence;
- the internal control system.

Liquidity management

The LLB Group has in place robust strategies, policies, processes and systems that enable it to identify, measure, manage and monitor liquidity risk. The internal liquidity adequacy assessment process (ILAAP) is set down in internal regulations and guidelines and is reviewed annually (see chapter Risk management in the financial section). The Group Treasury manages risks in the banking book that result from banking activities.

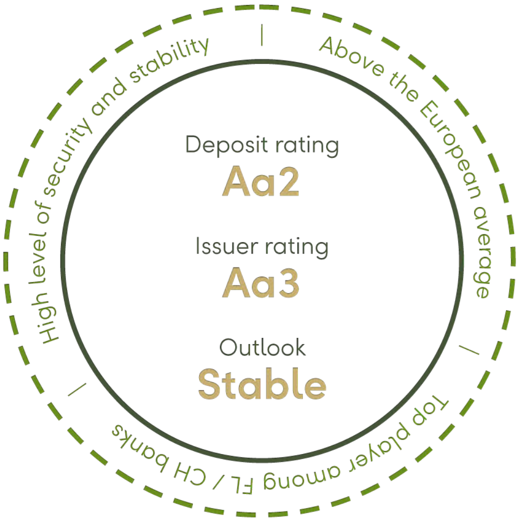
Capital management

Within the LLB Group, we have in place robust, comprehensive and effective processes to assess and ensure adequate equity capital on an ongoing basis. The internal capital adequacy assessment process (ICAAP) is a key risk management instrument here. The ICAAP is documented in internal regulations and guidelines and is reviewed and revised annually on the basis of overall bank stress tests.

Solid equity base
Having an equity base that is of a sufficiently high quality is integral to our identity as the LLB Group. For a solid equity capital base not only protects its reputation, but is also part of the economic and financial credibility of a bank. Furthermore, our financial strength shall remain, as far as possible, unaffected by fluctuations in the capital markets.
Since LLB is considered systemically important in Liechtenstein, we are subject to a regulatory minimum capital adequacy ratio of 13.7 per cent. As part of our strategy, we are targeting a Tier 1 ratio of over 16 per cent.

Financial strength is confirmed
Liechtensteinische Landesbank has a deposit rating of Aa2 from rating agency Moody's. Following the announcement of the acquisition of ZKB Österreich (see Letter to shareholders), the rating was reviewed and reconfirmed in July 2024. This makes us, according to Moody's, one of the highest-rated banks in the world and places us in the top league of Liechtenstein and Swiss banks, ranking us well above the average for European financial institutions.

Moody's rating also underlines LLB's stability and financial strength. It is proof of our prudent finance and risk management.



Credit management

As Liechtensteinische Landesbank, helping private individuals, companies and public institutions to finance and realise their plans for the future is integral to our identity.

Independent credit decisions

At the LLB Group, authorisation to grant loans is based on level of knowledge and experience and type of loan. With the exception of standard business transactions, the authority to grant credit lines lies with the back office, i.e. Group Credit Management and the superordinate Credit Committees. Credit decisions are thus made independently of market pressures and market targets. In this way, we are able to avoid conflicts of interest and ensure that risks in each and every case are assessed in an objective and independent manner.

High standards of lending

We, as the LLB Group, pursue a risk-conscious credit policy. In doing so, we rely on:

- the differentiated and separate assessment of loan applications;
- the risk-oriented assessment of collateral values;
- the individual assessment of affordability;
- the consideration of standard equity requirements.

These different control processes help us to act in a risk-conscious manner.

Compliance risks

The LLB Group's compliance organisation is part of risk management and focuses on dealing with legal risks and three other areas:

- Combating money laundering and financing of terrorism as well as complying with international sanctions;
- Implementing tax compliance within the framework of international agreements and complying with local tax legislation;
- Complying with supervisory requirements, specifically dealing with conflicts of interest and monitoring employee transactions.

There are three lines of defence against risks:

- First line: The first line of defence covers all functions that are involved in conducting day-to-day business operations and, as a rule, assigned with a results-based objective.

- Second line: The second line of defence – this includes the LLB Group's compliance organisation – carries out, independently of the market and the results, monitoring and control functions, and is responsible for ensuring compliance with applicable internal and external requirements.
- Third line: In the third line of defence, the internal audit ensures the effectiveness of the controls.

Combating money laundering and financing of terrorism as well as complying with international sanctions
Combating money laundering and terrorist financing along with complying with international sanctions are given the highest priority in the LLB Group. To underscore their importance and further minimise the risk of the LLB Group being misused for criminal purposes, we created a separate business area – Group Financial Crime Compliance – for the efficient and effective handling of these issues with effect from 1 January 2024.

The LLB Group has in place robust programmes to prevent financial crime. These include regulations, system-supported processes and the use of IT tools and apply both when establishing new or monitoring existing business relationships. Transaction monitoring is systematic and risk-oriented.

In order to ensure compliance with international sanctions and to prevent circumvention of sanctions, the LLB Group has implemented a comprehensive sanctions compliance programme under which we continuously monitor geopolitical developments and take prompt action in the event of any changes.

We provide regular training within the LLB Group to ensure that employees stay informed about the latest regulatory changes.

Managing conflicts of interest
Handling conflicts of interest professionally is an essential part of trustworthy, values-based corporate management. During the reporting year, we tightened the relevant rules for our corporate bodies and employees, with the intention being to protect our bank's stakeholders from potential conflicts of interest. Should conflicts of interest nevertheless arise, the new set of rules provide a basis for managing them as well as possible. We expect our executive bodies and employees to comply with applicable laws, regulations and guidelines, professional standards and our 'Rules of Conduct'. These rules contain information on which transactions with financial instruments are not permitted for employees and executive bodies. In addition, general principles for employee transactions are defined, as is the handling of conflicts of interest. The handling of business relationships between employees and executive bodies is clearly regulated, as are the acceptance of benefits and the exercise of secondary employment.

Dealing with cyber risks
Protection against cyber attacks remains of crucial importance to us. It is based on modern IT systems as well as properly trained and aware employees. The information security requirements are set out in guidelines that apply throughout the company and are consistently implemented through technical and organisational measures. Any new regulatory requirements, such the Digital Operational Resilience Act (DORA), as well as best practice standards are taken into account when developing and implementing these measures. Our data is fully protected by effective processes and advanced technologies. Experts continuously monitor for cyber threats and take risk-based defensive measures. These measures are constantly being expanded by the LLB Group's Cyber Defence Center. Structured vulnerability management and periodic attack simulations ensure a permanently high level of security (see also the online special *LLB in flux*).

Internal control system
The internal control system (ICS) is as an integral part of our Group-wide risk management. It contributes to increasing risk transparency in the company by monitoring the risks in the relevant business processes through effective control processes. These controls are guided by industry standards.

Business continuity management (BCM)

In a crisis or catastrophe, decisions have to be made that cannot be dealt with using the resources ordinarily available to management. Business continuity management (BCM) comes into play whenever preventative measures defined in the risk management process do not work and the level of damage from an event could assume a scale that threatens the existence of the company. It identifies business-critical processes within the whole LLB Group, establishes BCM crisis teams, draws up emergency plans and keeps senior management up to date with regular reports. Events in recent years, such as the power shortage and the corona pandemic, have shown the LLB Group's BCM to be crisis-proof, efficient and comprehensive.