

Consolidated management report

Income statement

In the 2025 financial year, the LLB Group earned a net profit of CHF 166.5 million, a business result at the same level as in the previous year (2024: CHF 167.2 million). Undiluted earnings per share stood at CHF 5.47 (2024: CHF 5.47).

Operating income in 2025 rose by 8.1 per cent to CHF 611.6 million (2024: CHF 565.8 million).

Net interest income before expected credit losses fell year-on-year by 8.3 per cent to CHF 122.9 million (2024: CHF 134.1 million). Interest income was down by 26.0 per cent to CHF 367.9 million (2024: 496.9 million). Interest expense decreased by 32.5 per cent to CHF 245.0 million (2024: CHF 362.8 million). The decreases were attributable to lower interest rate levels. Although the margin contribution from lending business increased, the margin from deposits business came under pressure due to falling interest rates.

Risk provisions for expected credit losses in the 2025 financial year were reduced by net CHF 0.6 million (2024: CHF 9.2 million net release). In the previous year, settlements were reached in several long-standing legal cases enabling them to be brought to a successful close.

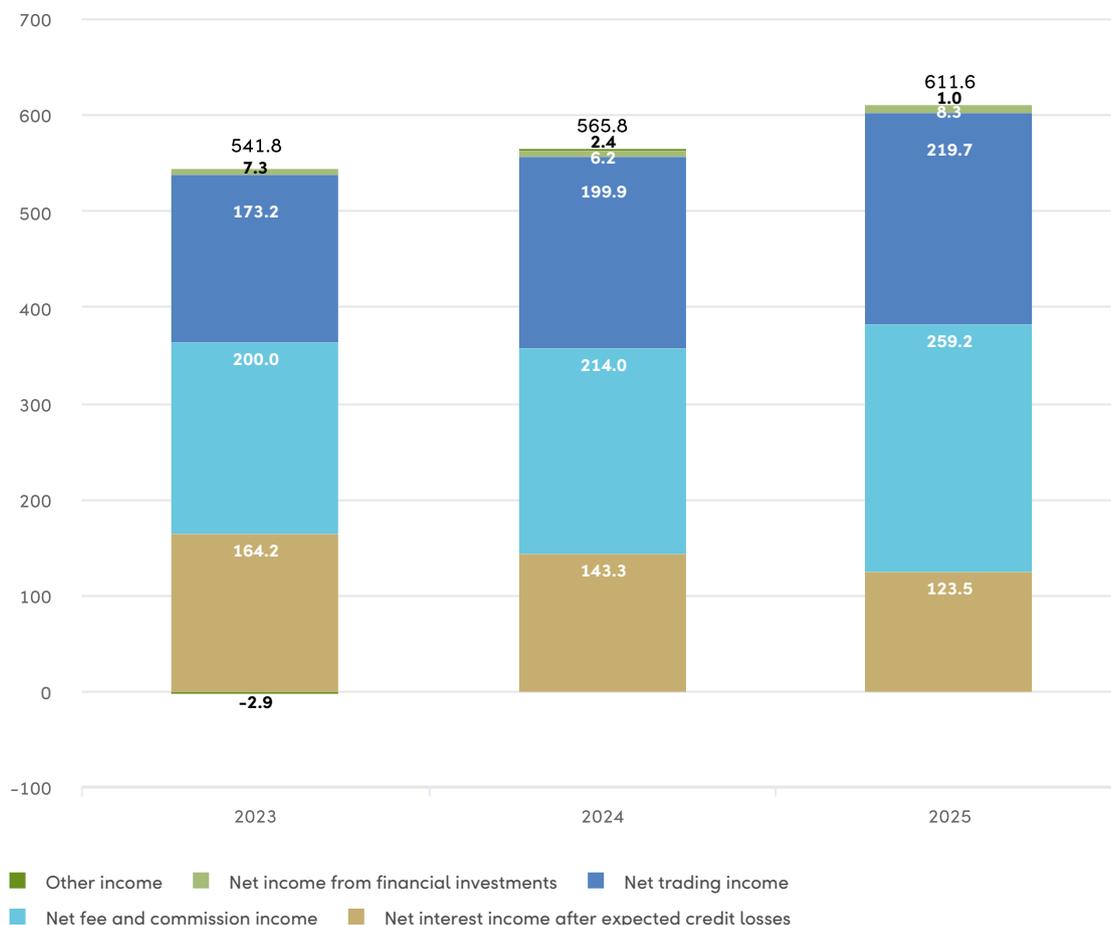
In comparison with the previous year, net fee and commission income rose by CHF 45.2 million to CHF 259.2 million (2024: CHF 214.0 million). The integration of ZKB Österreich played a substantial role in the extremely good result. Thanks to significant growth in client assets under management, higher portfolio-dependent fees were earned. These rose by 25.5 per cent to CHF 192.4 million (2024: CHF 153.3 million). In addition, intensified client activity led to a rise in transaction-related fees by 10.0 per cent to CHF 66.8 million (2024: CHF 60.7 million). The growth in volume of LLB Invest proved to be a further success in the previous year. Asset volumes in discretionary management mandates and investment advisory mandates expanded by over CHF 3 billion to CHF 22 billion.

Net trading income climbed by 9.9 per cent to CHF 219.7 million (2024: CHF 199.9 million). Foreign exchange business was largely responsible for this growth, rising to CHF 214.1 million, CHF 18.1 million higher than in the previous year (2024: CHF 196.0 million). The LLB Group benefitted here from the investment of client deposits in foreign currencies in Swiss franc currency swaps. The interest rate differential between foreign currencies and the Swiss franc had a positive effect. The more substantial reductions in Swiss franc interest rates relative to those of foreign currencies amplified this effect in the 2025 financial year. Furthermore, client trading activity in foreign exchange business intensified.

Income from financial investments stood at CHF 8.3 million and was therefore higher than in the previous year (2024: CHF 6.2 million), thanks principally to price gains.

Other income fell by CHF 1.3 million to CHF 1.0 million in comparison with the previous year (2024: CHF 2.4 million). Various special effects had had a beneficial influence in the previous year.

Operating income (in CHF millions)



At CHF 410.4 million, operating expenses were 11.1 per cent higher than in the previous year (2024: CHF 369.5 million). The increase was in line with expectations and was primarily due to the takeover of ZKB Österreich, as well as the associated integration costs of around CHF 10 million.

Personnel expenses rose by 9.1 per cent or CHF 21.4 million to CHF 256.1 million (2024: CHF 234.7 million). The primary reason for the increase was a higher than average personnel headcount over the whole year plus the allocation of restructuring provisions in connection with the integration of ZKB Österreich. By the end of the year, the total number of full-time equivalent jobs at the LLB Group stood at 1'294, almost the same as in the previous year (31.12.2024: 1'286) despite the takeover of the employees of ZKB Österreich.

General and administrative expenses climbed by 15.6 per cent to CHF 113.8 million in comparison with the previous year (2024: CHF 98.4 million). Depreciation also increased by 11.2 per cent to CHF 40.4 million (2024: CHF 36.4 million). The increase was largely due to the inclusion of ZKB Österreich.

As expected, the Cost Income Ratio rose to 67.0 per cent (2024: 66.4 %) as a result of the integration of ZKB Österreich. Adjusted to exclude the integration costs of the takeover, it would have stood at 65.4 per cent.

Balance sheet

The consolidated balance sheet total increased to CHF 28.3 billion (31.12.2024: CHF 27.7 billion).

Equity capital amounted to CHF 2.4 billion as at 31 December 2025 (31.12.2024: CHF 2.2 billion). The Tier 1 ratio stood at 19.0 per cent (31.12.2024: 18.7 %) and was therefore substantially above the regulatory requirements. The return on equity amounted to 7.3 per cent (2024: 7.7 %).

Business volume

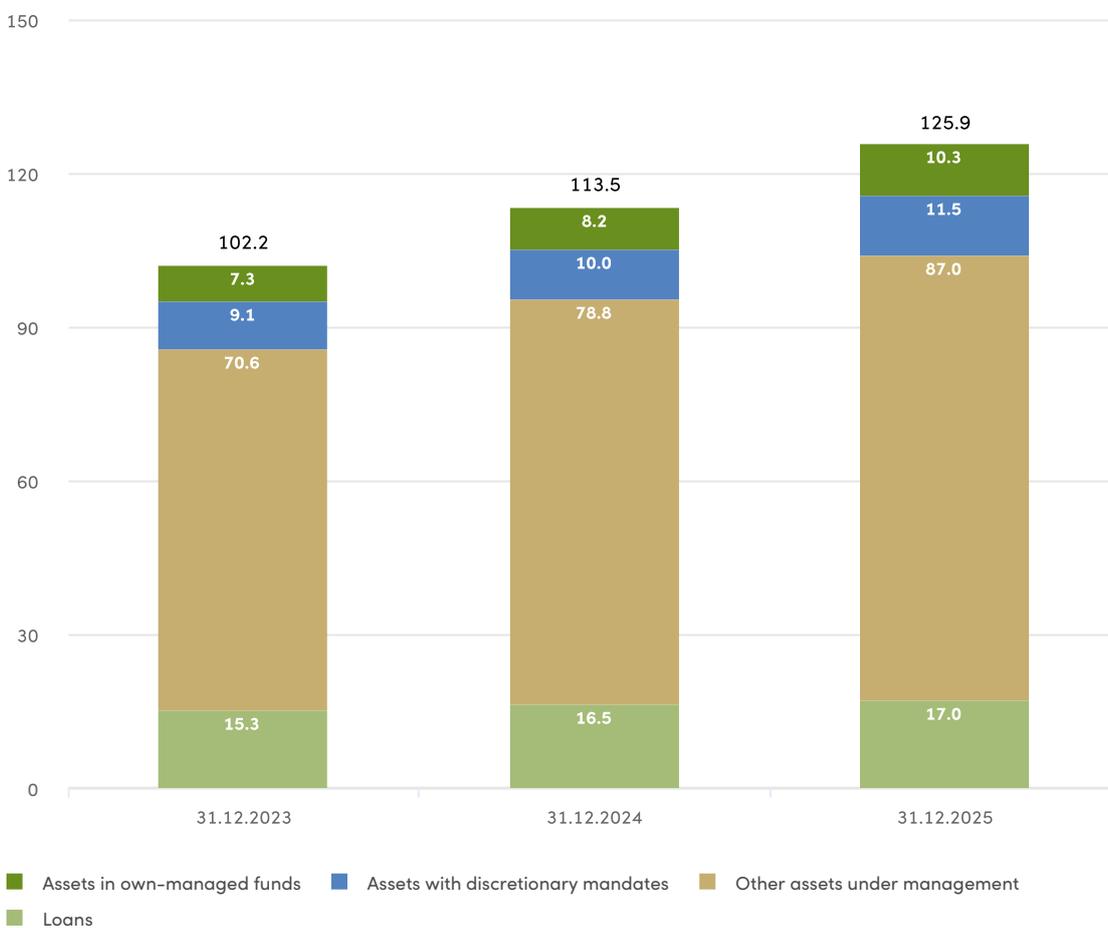
Compared with 31 December 2024, the business volume expanded by 10.9 per cent or CHF 12.4 billion to CHF 125.9 billion (31.12.2024: CHF 113.5 billion) and therefore exceeded the CHF 125-billion mark for the first time.

Loans to customers climbed by 3.2 per cent to CHF 17.0 billion compared with the previous year (31.12.2024: CHF 16.5 billion), whereby mortgage loans grew by 0.8 per cent to CHF 14.9 billion (31.12.2024: CHF 14.8 billion).

Client assets under management climbed by 12.2 per cent to CHF 108.9 billion (31.12.2024: CHF 97.0 billion). The increase was attributable to good organic growth, the integration of ZKB Österreich and the positive performance of the financial markets.

In the 2025 financial year, the LLB Group registered a net new money inflow of CHF 3.7 billion (2024: CHF 2.8 billion). The growth was achieved in all three booking centres as well as in the two market divisions, and was therefore broadly based.

Business volume (in CHF billion)



Outlook

In 2025, the LLB Group successfully continued implementing its strategy as planned, and thereby attained key milestones. Global insecurity and a volatile market environment are also expected to persist in 2026. Nevertheless, the LLB Group will continue to pursue its strategic course and successfully complete its ACT-26 strategy on schedule. Following a phase of targeted investments in growth and innovation, in 2026 the focus of the final phase of the strategy will shift to the core element of efficiency. At the same time, work will commence on the succession strategy to ensure a seamless continuation of the LLB Group's further development and to exploit opportunities that occur. The LLB Group expects to achieve a solid business result in 2026.

Consolidated income statement

in CHF thousands	Note	2025	2024 (restated)	+/- %
Interest Income	1	367'891	496'874	- 26.0
Interest expenses	1	- 244'952	- 362'772	- 32.5
Net interest income	1	122'940	134'103	- 8.3
Expected credit losses		571	9'228	- 93.8
Net interest income after expected credit losses		123'511	143'331	- 13.8
Fee and commission income	2	419'553	347'688	20.7
Fee and commission expenses	2	- 160'378	- 133'692	20.0
Net fee and commission income	2	259'175	213'996	21.1
Net trading income	3	219'659	199'854	9.9
Net income from financial investments	4	8'261	6'231	32.6
Other income	5	1'033	2'375	- 56.5
Total operating income		611'639	565'788	8.1
Personnel expenses	6	- 256'145	- 234'715	9.1
General and administrative expenses	7	- 113'791	- 98'445	15.6
Depreciation	8	- 40'415	- 36'352	11.2
Total operating expenses		- 410'351	- 369'512	11.1
Operating profit before tax		201'289	196'275	2.6
Tax expenses	9	- 34'762	- 29'035	19.7
Net profit		166'527	167'240	- 0.4
Of which attributable to:				
Shareholders of LLB		166'387	167'106	- 0.4
Non-controlling interests	32	140	133	4.9
Earnings per share attributable to the shareholders of LLB				
Basic earnings per share (in CHF)	10	5.47	5.47	- 0.0
Diluted earnings per share (in CHF)	10	5.44	5.45	- 0.0

Consolidated statement of comprehensive income

in CHF thousands	Note	2025	2024 (restated)	+/- %
Net profit		166'527	167'240	- 0.4
Other comprehensive income (after tax), which can be reclassified to the income statement				
Currency effects	31/32	- 4'640	5'132	
Changes in value of debt instruments, recognised at fair value through other comprehensive income		22'548	38'747	- 41.8
Reclassified (profit) / loss with debt instruments, recognised at fair value through other comprehensive income	4	77	0	
Tax effects	24	- 3'164	- 5'453	- 42.0
Total		14'821	38'426	- 61.4
Other comprehensive income (after tax), which cannot be reclassified to the income statement				
Actuarial gains / (losses) of pension plans ¹		29'012	- 20'337	
Changes in value of equity instruments, recognised at fair value through other comprehensive income		27'721	9'081	205.2
Tax effects	24	- 4'005	3'650	
Total		52'728	- 7'606	
Total other comprehensive income (after tax)		67'550	30'820	119.2
Comprehensive income for the period		234'076	198'060	18.2
Of which attributable to:				
Shareholders of LLB		233'945	197'851	18.2
Non-controlling interests		132	209	- 37.0

1 Based mainly on the increased valuation of pension plan assets and the higher discount rate

Consolidated balance sheet

in CHF thousands	Note	31.12.2025	31.12.2024 (restated)	+/- %
Assets				
Cash and balances with central banks	11	5'632'467	5'936'085	- 5.1
Due from banks	12	2'230'088	1'177'721	89.4
Loans	13	17'013'813	16'488'886	3.2
Derivative financial instruments	14	148'872	466'637	- 68.1
Financial investments	15	2'574'073	3'002'527	- 14.3
Property and equipment	16	165'961	141'284	17.5
Goodwill and other intangible assets	17	323'171	264'922	22.0
Deferred tax assets ¹	24	7'275	13'556	- 46.3
Accrued income and prepaid expenses ¹		59'207	42'930	37.9
Other assets	18	163'289	129'088	26.5
Total assets		28'318'216	27'663'636	2.4
Liabilities				
Due to banks	20	722'777	1'103'678	- 34.5
Due to customers	21	21'208'869	20'644'507	2.7
Derivative financial instruments	14	108'691	346'376	- 68.6
Debt issued	22	3'634'140	3'062'154	18.7
Current tax liabilities		28'342	30'814	- 8.0
Deferred tax liabilities	24	27'333	22'989	18.9
Accrued expenses and deferred income ¹		50'406	25'056	101.2
Provisions	25	17'517	12'622	38.8
Other liabilities	26	163'318	200'341	- 18.5
Total liabilities		25'961'394	25'448'538	2.0
Equity				
Share capital	27	154'000	154'000	0.0
Share premium	28	- 16'308	- 15'127	7.8
Treasury shares	29	- 30'426	- 24'634	23.5
Retained earnings ¹	30	2'292'656	2'206'579	3.9
Other reserves	31	- 44'106	- 106'766	- 58.7
Total equity attributable to shareholders of LLB		2'355'816	2'214'052	6.4
Non-controlling interests	32	1'005	1'046	- 3.9
Total equity		2'356'822	2'215'098	6.4
Total liabilities and equity		28'318'216	27'663'636	2.4

¹ The previous year was restated. Information can be found in [point 1.2 in the Accounting principles](#).

Consolidated statement of changes in equity

in CHF thousands	Note	Attributable to shareholders of LLB					Total	Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Retained earnings	Other reserves ⁵			
As at 1 January 2024		154'000	- 15'066	- 13'356	2'140'361	- 136'250	2'129'690	962	2'130'652
Restatement ¹					- 19'585		- 19'585		- 19'585
As at 1 January 2024 (restated)		154'000	- 15'066	- 13'356	2'120'777	- 136'250	2'110'105	962	2'111'067
Comprehensive income for the period					167'106	30'745	197'851	209	198'060
Net profit					167'106		167'106	133	167'240
Other comprehensive income						30'745	30'745	76	30'820
Reclassification not affecting the income statement ²	30/31				1'261	- 1'261	0		0
Net movements in treasury shares ^{3/4}	28/29		- 61	- 11'278			- 11'339		- 11'339
Dividend 2023, paid 2024	30/32				- 82'565		- 82'565	- 134	- 82'699
Increase / (Reduction) in non-controlling interests	32						0	9	9
As at 31 December 2024 (restated)		154'000	- 15'127	- 24'634	2'206'579	- 106'766	2'214'052	1'046	2'215'098
As at 1 January 2025		154'000	- 15'127	- 24'634	2'206'579	- 106'766	2'214'052	1'046	2'215'098
Comprehensive income for the period					166'387	67'558	233'945	132	234'076
Net profit					166'387		166'387	140	166'527
Other comprehensive income						67'558	67'558	- 8	67'550
Reclassification not affecting the income statement ²	30/31				4'898	- 4'898	0		0
Net movements in treasury shares ^{3/4}	28/29		- 1'181	- 5'792			- 6'973		- 6'973
Dividend 2024, paid 2025	30/32				- 85'207		- 85'207	- 199	- 85'406
Increase / (Reduction) in non-controlling interests	32						0	27	27
As at 31 December 2025		154'000	- 16'308	- 30'426	2'292'656	- 44'106	2'355'816	1'005	2'356'822

1 Information can be found in [point 1.2 in the Accounting principles](#).

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

3 Contains change of reserves for security entitlements

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

5 The reconciliation of currency translation differences amounted to minus CHF thousands 69'447 as at 31 December 2025 (31 December 2024: minus CHF thousands 64'814). The difference reflects the change within the financial year, which is reported in the statement of comprehensive income.

Consolidated statement of cash flows

in CHF thousands	Note	31.12.2025	31.12.2024
Cash flow from / (used in) operating activities			
Interest received		369'969	495'728
Interest paid		- 250'709	- 372'960
Fees and commission received		419'821	311'435
Fees and commission paid		- 159'469	- 97'760
Trading income		219'842	196'955
Dividends received from financial investments	4	6'605	6'939
Other income		1'009	4'240
Payments for personnel, general and administrative expenses		- 360'673	- 351'096
Income tax paid	9	- 33'505	- 38'790
Cash flow from operating activities, before changes in operating assets and liabilities		212'891	154'692
Due from / to banks		- 1'509'625	- 448'556
Loans / due to customers		- 102'007	- 71'304
Other assets		- 33'185	- 4'490
Other liabilities		- 23'236	16'660
Changes in operating assets and liabilities		- 1'668'053	- 507'690
Net cash flow from / (used in) operating activities		- 1'455'162	- 352'998
Cash flow from / (used in) investing activities			
Purchase of property and equipment	16	- 24'878	- 23'764
Disposal of property and equipment	16	386	96
Purchase of other intangible assets	17	- 19'333	- 20'516
Purchase of financial investments		- 340'652	- 823'989
Disposal of financial investments		735'464	659'701
Purchase of non-current assets held for sale		- 630	- 11'728
Sale of non-current assets held for sale		6'442	8'136
Acquisition of fully consolidated companies minus cash and cash equivalents		238'936	0
Acquisition of interests in joint ventures		- 4'000	0
Net cash flow from / (used in) investing activities		591'734	- 212'064
Cash flow from / (used in) financing activities			
Purchase of treasury shares	29	- 9'624	- 14'751
Dividends paid	30	- 85'207	- 82'565
Dividends paid to non-controlling interests	32	- 199	- 134
Repayment of lease liabilities	23	- 7'524	- 6'386
Issuance of debt	23	373'758	380'463
Repayment of debt	23	- 184'959	- 135'985
Issuance of bonds	23	400'000	200'000
Net cash flow from / (used in) financing activities		486'245	340'642
Effects of foreign currency translation on cash and cash equivalents		- 23'975	31'246
Net increase / (decrease) in cash and cash equivalents		- 401'157	- 193'174
Cash and cash equivalents at beginning of the period		6'513'712	6'706'886
Cash and cash equivalents at end of the period		6'112'554	6'513'712
Cash and cash equivalents comprise:			
Cash and balances with central banks	11	5'632'467	5'936'085
Due from banks (due daily)	12	480'088	577'627
Total cash and cash equivalents		6'112'554	6'513'712

Accounting principles

1 Principles of accounting

1.1 Basic information

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

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

The Board of Directors reviewed this consolidated annual statement at its meeting on 19 February 2026 and approved it for publication.

1.2 Restatement of previous year figures

Within the scope of a review of the accounting of FX derivatives, it was ascertained that a too high amount of CHF 112.6 million (01.01.2024: CHF 76.7 million) was reported for accrued income and prepaid expenses and a too high amount of CHF 89.9 million (01.01.2024: CHF 56.3 million) was reported for accrued expenses and deferred income as at 31 December 2024. This led in the previous years to a tax-adjusted, cumulative early recognition of profits totalling CHF 19.6 million (01.01.2024: CHF 17.7 million). The retroactive correction of the error encompassed the adjustment of accrued income and prepaid expenses as well as accrued expenses and deferred income, the recognition of deferred tax assets amounting to CHF 3.2 million (01.01.2024: CHF 2.7 million) and a corresponding reduction of equity capital in the previous year.

Taking into account the correct period allocation, trading income in 2024 would have been CHF 2.3 million lower; the tax effect amounts to CHF 0.4 million, so that earnings after tax would have been CHF 1.9 million lower. The adjustments were made in the opening carrying amounts as at 1 January 2024.

1.3 Events during the financial year

LLB successfully completed the share repurchase programme that it had commenced on 28 August 2023. As at 11 August 2025, LLB held 428'723 of its own registered shares, corresponding to 1.4 per cent of the bank's share capital. For further information, see our website <https://llb.li/en/llb/investors/llb-share/shares-repurchase>, as well as note 29 [Treasury shares](#).

LLB has concluded an agreement with Rothschild & Co Bank AG for the referral of private banking clients in Dubai and Abu Dhabi because LLB is withdrawing from its business locations in those places. The revenues associated with the agreement will predominantly be appropriated in the 2026 financial year. The loss of the clients served in Dubai and Abu Dhabi has no material impact on LLB's earnings situation. The costs associated with closing the business locations fall mainly in the 2025 financial year and have no material impact on operating expenses.

1.4 Events after the balance sheet date

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

2 Summary of material accounting policies

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

2.1 Basis for financial accounting

2.1.1 General points

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

2.1.2 New IFRS, amendments and interpretations

2.1.2.1 Changes to accounting policies effective since 1 January 2025

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

2.1.2.2 Applicable for financial years beginning on 1 January 2026 and later

In April 2024, the International Accounting Standards Board (IASB) approved IFRS 18 "Presentation and Disclosure in Financial Statements". Provided the standard is taken over into European law, it is to be applied for the first time for financial years starting on or after 1 January 2027. LLB has made great progress in its analysis and will commence implementing the resulting amendments for disclosure in the first half of 2026.

Amendments published by the IASB and taken over into European law:

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

New disclosures will be required as a result of amendments to IFRS 9 and IFRS 7. The new standards and amendments will not be applied at an earlier date subject to them being taken into European law.

2.1.3 Use of estimates and assumptions in the preparation of financial statements

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

Significant estimates and assumptions are made concerning [Expected credit losses](#), [Goodwill](#), [Provisions](#), [Fair value measurement](#) for financial instruments and liabilities, as well as [Pension plans and other long-term benefits](#). Further information can be found in the corresponding note.

2.2 Consolidation policies

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

2.2.1 Subsidiaries

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

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

2.2.2 Participation in associated companies

Associated companies are recognised according to the equity method.

2.2.3 Investment in joint venture

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

2.2.4 Changes to the scope of consolidation

Changes in the scope of consolidation are disclosed in the note [Scope of consolidation](#).

2.3 General principles

2.3.1 Recognition and derecognition of financial assets and liabilities

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

2.4 Foreign currency translation

2.4.1 Functional currency and reporting currency

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

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

2.4.2 Group financial statement

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

2.4.3 Separate financial statements

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

Closing Rate	31.12.2025	31.12.2024
1 USD	0.7927	0.9060
1 EUR	0.9314	0.9412

Average rate	2025	2024
1 USD	0.8360	0.8807
1 EUR	0.9368	0.9526

2.5 Cash and cash equivalents

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

2.6 Measurement of balance sheet positions

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

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

2.6.1.1 Classification and measurement of financial assets

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

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

Employment within the LLB Group

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

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

Financial investments of the strategic participations category encompass equity instruments and investment fund units. In the case of some equity instruments that comply with the definition of equity

capital securities, they are designated irrevocably for measurement at fair value in other comprehensive income. Consequently, if the instruments are sold, the unrealised gains accrued in other comprehensive income cannot be recycled. Further information is provided in [note 15](#).

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

Financial assets measured at amortised cost

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

Financial assets measured at fair value through other comprehensive income

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

Financial assets measured at fair value through profit and loss

- ♦ Receivables from precious metals
These are measured at market value through profit and loss and reported in [net trading income](#). [Note 33](#) provides information about the calculation of fair value.
- ♦ Derivative financial instruments
Derivative financial instruments are recognised as positive or negative replacement values in the balance sheet. The replacement value corresponds to the fair value. [Note 33](#) contains information about its calculation. Derivative financial instruments are held within the LLB Group for hedging and trading purposes. If the derivative financial instruments held for hedging purposes do not fulfil the strict IFRS hedge accounting criteria, changes in fair value are recognised, as with derivative financial instruments held for trading purposes, in [net trading income](#). For further information regarding hedge accounting, see the following section "Hedging accounting" and [note 14](#).
- ♦ Hedge accounting
Within the scope of risk management at the LLB Group, derivative financial instruments are

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

♦ Financial investments

Within the LLB Group, the portfolio of financial investments encompasses debt instruments and equity instruments. Debt instruments include both corporate bonds and investment fund units. The fund units represent callable instruments, which do not meet the criteria for equity instruments. [Note 33](#) provides information about the calculation of fair value. Non-realised gains or losses are reported in [net income from financial investments](#). Interest is recognised on an accrual basis and reported in [net interest income](#). Dividends are reported directly in [net income from financial investments](#).

2.6.1.2 Classification and measurement of financial liabilities

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

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

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

Financial liabilities measured at amortised cost

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

Financial liabilities measured at fair value through profit and loss

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

2.6.1.3 Impairments

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

Governance in relation to input factors, assumptions and estimation procedures

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

Segmentation of the credit portfolio

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

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

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

Modelling principles and calculation parameters of expected credit losses

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

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

the initial credit exposure compounded with the effective interest, plus or minus additional inflows or outflows of resources such as amortisation payments. The average amortised cost of the individual period is extrapolated from the development resulting from integration and division by the length of the periods. The duration of the credits is in accordance with the conditions specified in the credit agreement. In the case of credits having an unspecified duration, a model is used as basis for the calculation. The period of notice is used as a basis. Cash inflows (loan repayments) are defined on the basis of the planned amortisation payments. Cash outflows (loan increases) are dependent on the type of loan and the agreed-but-not-yet-utilised credit limit. Internal experts estimate a credit conversion factor, which is approved by the Board of Management, and is then employed to define the expected credit utilisation.

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

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

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

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

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

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

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

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

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

Macro-scenarios

Three scenarios are utilised for the measurement of the expected credit loss: a basic scenario as well as a negative and a positive scenario. The probability of a credit loss occurring is the same with all

three scenarios. The average value derived from these scenarios represents the final expected credit loss.

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

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

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

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

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

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

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

Reporting of impairments

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

2.6.2 Balance sheet positions outside IFRS 9

2.6.2.1 Property and other equipment

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

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

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

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

Small value purchases are charged directly to general and administrative expenses. In general, maintenance and renovation expenditures are booked to general and administrative expenses. If the

related cost is substantial and results in an increase in value, such expenditures are capitalised and depreciated over their useful life. Profits and losses from the sale of property and other equipment are reported in [other income](#), either in net income from properties or in additional other income, depending on the circumstances.

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

2.6.2.2 Goodwill and other intangible assets

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

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

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

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

2.6.2.3 Current and deferred taxes

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

The legal provisions relating to the implementation of the global minimum taxation of the OECD/G20 including the framework on BEPS (Global Anti-Base Erosion "GloBE" or pillar 2) have been in force since 1 January 2025 in all the countries in which the LLB Group is subject to taxation. The LLB Group has applied the provisions relating to the global minimum taxation since this date. The first reporting shall therefore be provided for the 2025 financial year.

The purpose of pillar 2 is to ensure that by levying supplementary taxes in every country, in which the LLB Group is active, an effective taxation level of 15 per cent is attained. In Austria, Germany and Switzerland the expected, effective taxation lies above the minimum taxation level of 15 per cent stipulated by the OECD. Therefore, no supplementary taxes are expected in those countries. In Liechtenstein the effective taxation rate lies under 15 per cent, so that a supplementary tax is applied. The effects of this are reported in [note 9](#).

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

2.6.2.4 Employee benefits

Retirement benefit plans

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

Variable salary component and share-based compensation

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

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

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

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

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

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

2.6.2.5 Provisions and contingent liabilities

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

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

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

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

2.6.2.6 Treasury shares

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

2.6.2.7 Securities lending and borrowing transactions

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

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

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

2.7 Recognition of revenues

2.7.1 Recognition of revenues

2.7.1.1 Recognition of revenues over a specified period

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

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

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

2.7.1.2 Recognition of revenues on a specific date

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

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

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

2.7.2 Recognition

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

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

2.7.3 All-in fee

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

Segment reporting

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

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

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

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

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

Transactions between the segments are executed at standard market conditions.

Financial year 2024

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

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

Financial year 2025

in CHF thousands	Retail & Corporate Banking	International Wealth Management	Corporate Center	Total Group
Net interest income	173'230	63'573	- 113'864	122'940
Expected credit losses	606	- 13	- 22	571
Net interest income after expected credit losses	173'836	63'560	- 113'885	123'511
Net fee and commission income	106'454	166'909	- 14'188	259'175
Net trading income	24'762	21'913	172'984	219'659
Net income from financial investments	0	0	8'261	8'261
Other income	2'219	0	- 1'186	1'033
Total operating income ¹	307'271	252'383	51'986	611'639
Personnel expenses	- 59'516	- 57'280	- 139'349	- 256'145
General and administrative expenses	- 6'346	- 7'129	- 100'315	- 113'791
Depreciation	- 63	- 605	- 39'746	- 40'415
Services (from) / to segments	- 83'575	- 69'501	153'076	0
Total operating expenses	- 149'501	- 134'515	- 126'335	- 410'351
Operating profit before tax	157'770	117'868	- 74'349	201'289
Tax expenses				- 34'762
Net profit				166'527

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

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

Segment reporting by geographic location

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

	Liechtenstein		Switzerland		Austria		Total Group	
		in %		in %		in %		in %
31.12.2024								
Operating income (in CHF thousands)	342'648	60.6	113'562	20.1	109'577	19.4	565'788	100.0
Total assets (in CHF millions) ¹	15'875	57.4	9'112	32.9	2'677	9.7	27'664	100.0
31.12.2025								
Operating income (in CHF thousands)	359'217	58.7	109'463	17.9	142'960	23.4	611'639	100.0
Total assets (in CHF millions)	16'145	57.0	9'052	32.0	3'122	11.0	28'318	100.0

1 The previous year was restated. Information can be found in [point 1.2 in the Accounting principles](#).

Notes to the consolidated income statement

1 Net interest income

in CHF thousands	2025	2024	+/- %
Interest income from financial instruments measured at amortised cost			
Due from banks ¹	55'471	126'850	- 56.3
Loans	255'060	306'532	- 16.8
Debt instruments	39'929	43'080	- 7.3
Loan commissions with the character of interest	5'490	3'197	71.8
Received negative interest	2'332	2'133	9.3
Total interest income from financial instruments measured at amortised cost	358'283	481'792	- 25.6
Interest income from financial instruments, measured at fair value through other comprehensive income			
Debt instruments	9'669	14'054	- 31.2
Total interest income from financial instruments, measured at fair value through other comprehensive income	9'669	14'054	- 31.2
Interest income from financial instruments measured at fair value through profit and loss			
Debt instruments	- 69	398	
Interest rate derivatives	7	630	- 98.8
Total interest income from financial instruments measured at fair value through profit and loss	- 61	1'029	
Total interest income	367'891	496'874	- 26.0
Interest expenses from financial instruments measured at amortised cost			
Due to banks	- 10'844	- 27'086	- 60.0
Due to customers	- 204'333	- 312'374	- 34.6
Paid negative interest	- 1'731	- 1'914	- 9.6
Lease liabilities	- 483	- 379	27.5
Debt issued	- 27'570	- 19'826	39.1
Total interest expenses from financial instruments measured at amortised cost	- 244'962	- 361'578	- 32.3
Interest expenses from financial instruments measured at fair value through profit and loss			
Interest rate derivatives	10	- 1'193	
Total interest expenses from financial instruments measured at fair value through profit and loss	10	- 1'193	
Total interest expenses	- 244'952	- 362'772	- 32.5
Total net interest income	122'940	134'103	- 8.3

1 Incl. interest from cash and balances with central banks, which is reported in [note 11](#)

2 Net fee and commission income

in CHF thousands	2025	2024	+/- %
Brokerage fees	44'643	39'168	14.0
Custody fees	49'737	46'877	6.1
Advisory and management fees	87'292	70'250	24.3
Investment fund fees	207'928	162'733	27.8
Credit-related fees and commissions	2'306	1'343	71.7
Commission income from other services	27'647	27'316	1.2
Total fee and commission income	419'553	347'688	20.7
Brokerage fees paid	- 8'283	- 7'243	14.4
Other fee and commission expenses	- 152'094	- 126'448	20.3
Total fee and commission expenses	- 160'378	- 133'692	20.0
Total net fee and commission income	259'175	213'996	21.1

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

in CHF thousands	2025	2024	+/- %
Total all-in fees	60'415	48'641	24.2
of which brokerage	24'441	16'464	48.4
of which securities administration	8'972	6'880	30.4
of which asset management	27'002	25'296	6.7

3 Net trading income

in CHF thousands	2025	2024	+/- %
Foreign exchange trading	214'108	195'961	9.3
Foreign note trading	- 133	365	
Precious metals trading	5'684	2'819	101.7
Interest rate instruments ¹	- 1	710	
Total net trading income	219'659	199'854	9.9

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

4 Net income from financial investments

in CHF thousands	2025	2024	+/- %
Financial investments measured at amortised costs			
Realised gain	0	8	- 100.0
Total net income from financial investments measured at amortised costs	0	8	- 100.0
Financial investments measured at fair value through profit and loss			
Dividend income	299	606	- 50.7
Price gains ¹	1'734	- 716	
Total net income from financial investments measured at fair value through profit and loss	2'033	- 110	
Financial investments, measured at fair value through other comprehensive income			
Dividend income	6'305	6'333	- 0.4
of which from financial investments held on the balance sheet date	6'170	6'237	- 1.1
of which from financial investments sold during the reporting period ²	135	96	41.6
Realised gain	- 77	0	
Total net income from financial investments, measured at fair value through other comprehensive income	6'228	6'333	- 1.6
Total net income from financial investments	8'261	6'231	32.6

¹ The realised price gains for 2025 amounted to CHF 1.4 million (2024: minus CHF 0.4 million).

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

5 Other income

in CHF thousands	2025	2024	+/- %
Net income from properties ¹	2'392	1'942	23.2
Income from various services	- 1'115	477	
Share of income from associated companies and joint venture	- 710	1	
Additional other income	466	- 45	
Total other income	1'033	2'375	- 56.5

1 Net income from properties consisted of rental income as well as profit from the sale of properties.

6 Personnel expenses

in CHF thousands	2025	2024	+/- %
Salaries ¹	- 200'373	- 192'178	4.3
Pension and other post-employment benefit plans ^{2/3}	- 21'793	- 13'893	56.9
Other social contributions	- 24'325	- 21'454	13.4
Training costs	- 1'673	- 1'854	- 9.7
Other personnel expenses ⁴	- 7'981	- 5'336	49.6
Total personnel expenses	- 256'145	- 234'715	9.1

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

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

3 Contains a positive, one-time effect of CHF 3.1 million on account of plan adjustments to the Swiss pension plans in the 2024 financial year

4 Contains the increase of restructuring provisions of CHF 4.3 million in the 2025 financial year

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

	2025	2024
Employees (annual average)		
Number of employees (full-time equivalents)	1'344	1'268
Full-time employees	1'073	1'035
of which apprentices	22	22
of which young talents ¹	20	18
Part-time employees	343	358

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

7 General and administrative expenses

in CHF thousands	2025	2024	+/- %
Occupancy	- 6'894	- 6'983	- 1.3
Expenses for IT, machinery and other equipment	- 45'054	- 38'916	15.8
Information and communication expenses	- 20'825	- 19'476	6.9
Marketing and public relations	- 14'095	- 13'578	3.8
Consulting and audit fees	- 7'760	- 10'671	- 27.3
Provisions for legal and litigation risks ¹	- 1'016	90	
Litigation, legal and representation costs	- 1'922	- 1'215	58.1
Contributions to Deposit Protection Fund	- 2'348	- 1'682	39.6
Other general and administrative expenses	- 13'876	- 6'014	130.7
Total general and administrative expenses	- 113'791	- 98'445	15.6

1 See [note 25](#) for details

8 Depreciation

in CHF thousands	2025	2024	+/- %
Property	- 4'825	- 4'560	5.8
Right of use assets	- 6'944	- 5'627	23.4
Other equipment	- 8'730	- 8'636	1.1
Intangible assets	- 19'916	- 17'529	13.6
Total depreciation	- 40'415	- 36'352	11.2

9 Tax expenses

in CHF thousands	2025	2024	+/- %
Current taxes ¹	- 30'661	- 28'504	7.6
Deferred taxes ²	- 4'100	- 532	671.1
Total tax expenses	- 34'762	- 29'035	19.7

1 Of which income taxes due to global minimum taxation: CHF 2.6 million (previous year: not applicable)

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

The actual net payments made by the LLB Group for domestic and foreign corporate profit taxes amounted to CHF 33.5 million for the 2025 financial year (previous year: CHF 38.8 million).

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

in CHF thousands	2025	2024	+/- %
Operating profit before tax	201'289	196'275	2.6
Assumed average income tax rate of 16.6 per cent (previous year: 15.5 %)	- 33'507	- 30'327	10.5

Increase / (Decrease) resulting from

Use of losses carried forward	0	0	
Tax savings / (charges) from previous years	316	1'749	- 81.9
Non-tax deductible (expenses) / tax-exempt income	- 1'571	- 456	244.2
Total tax expenses	- 34'762	- 29'035	19.7

The assumed average tax burden is based on the weighted average tax rates of the individual Group companies. The higher assumed average tax burden is due to the implemented global minimum taxation (BEPS) for group companies domiciled in Liechtenstein. The assumed tax burden for these companies was increased from 12.5 per cent to 15 per cent.

As at 31 December 2025, there were losses carried forward amounting to CHF 2.8 million, which were not reported as deferred tax receivables (previous year: CHF 5 million). They expire within the next three years. In general, tax losses can be carried forward for seven years in Switzerland, and indefinitely in the Principality of Liechtenstein and in Austria.

10 Earnings per share

	2025	2024	+/- %
Net profit attributable to the shareholders of LLB (in CHF thousands)	166'387	167'106	- 0.4
Weighted average shares outstanding	30'397'293	30'528'338	- 0.4
Basic earnings per share (in CHF)	5.47	5.47	- 0.0

Net profit for diluted earnings per share attributable to the shareholders of LLB (in CHF thousands)	166'387	167'106	- 0.4
Weighted average shares outstanding for diluted earnings per share	30'558'111	30'679'020	- 0.4
Diluted earnings per share (in CHF)	5.44	5.45	- 0.0

Dividend (in CHF)	2.80 ¹	2.80	
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1 Proposal of the Board of Directors to the General Meeting of Shareholders on 17 April 2026

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

Notes to the consolidated balance sheet

11 Cash and balances with central banks

	31.12.2025	31.12.2024	+/- %
Cash	63'878	60'398	5.8
Demand deposits with central banks	5'568'589	5'875'687	- 5.2
Total cash and balances with central banks	5'632'467	5'936'085	- 5.1

12 Due from banks

in CHF thousands	31.12.2025	31.12.2024	+/- %
On demand ¹	480'088	577'627	- 16.9
At maturity or callable	1'750'000	600'094	191.6
Total due from banks	2'230'088	1'177'721	89.4

1 Of which receivables from precious metals measured at fair value through profit and loss amounting to CHF 210.1 million (previous year: CHF 99.9 million)

13 Loans

in CHF thousands	31.12.2025	31.12.2024	+/- %
Mortgage loans	14'932'063	14'809'375	0.8
Public institutions	98'524	106'574	- 7.6
Fixed advances and loans	1'400'681	1'183'433	18.4
Other loans and advances	642'074	450'534	42.5
Expected credit losses	- 59'529	- 61'031	- 2.5
Total loans	17'013'813	16'488'886	3.2

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

14 Derivative financial instruments

LLB utilises interest rate swaps to hedge against interest rate fluctuation risks in balance sheet business. Combined interest rate / currency swaps are employed to manage foreign currency liquidity. In addition, derivative financial instruments are employed primarily within the scope of client business. In this case, both standardised and OTC derivatives are traded. International banks having a high creditworthiness serve as counterparties. LLB does not assume a market-maker role on the interbank market. The tables in this note contain information about the nominal value (contract volume), about the replacement values and about the hedge accounting positions. The maturities are reported in Risk management, [chapter 2](#).

in CHF thousands	Total				Total contract volume	
	Positive replacement values		Negative replacement values		31.12.2025	31.12.2024
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Derivative financial instruments in the trading portfolio						
Interest rate contracts						
Interest rate swaps	0	0	0	2	0	9'412
Foreign exchange contracts						
Forward contracts	18'198	90'680	17'342	25'344	1'681'255	3'145'771
Combined interest rate / currency swaps	77'777	307'911	76'050	309'391	21'231'448	19'661'136
Options (OTC)	1'023	491	1'023	491	48'571	41'266
Precious metals contracts						
Options (OTC)	4'048	2'042	4'048	2'041	23'658	35'006
Total derivative financial instruments in the trading portfolio	101'046	401'126	98'463	337'269	22'984'931	22'892'591
Derivative financial instruments for hedging purposes						
Interest rate contracts						
Interest rate swaps (fair value hedge)	47'826	65'511	10'227	9'107	2'003'869	2'036'472
Total derivative financial instruments for hedging purposes	47'826	65'511	10'227	9'107	2'003'869	2'036'472
Total derivative financial instruments	148'872	466'637	108'691	346'376	24'988'800	24'929'063

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

in CHF thousands	Nominal value of hedging instrument	Carrying amount of hedging instrument		Balance sheet position of hedging instrument	Fair value change to measurement of ineffective hedge		
		Assets	Liabilities				
Fair value hedge							
31.12.2024							
Interest rate swaps	1'366'472	65'511		Derivative financial instruments	1'012		
Interest rate swaps	670'000		- 9'107	Derivative financial instruments	3'983		
31.12.2025							
Interest rate swaps	822'927	47'826		Derivative financial instruments	- 17'994		
Interest rate swaps	1'180'942		- 10'227	Derivative financial instruments	- 804		
in CHF thousands		Carrying amount of underlying transaction		Cumulative total from fair value adjustments of the underlying transaction		Balance sheet position of underlying transaction	Fair value change to measurement of ineffective hedge
		Assets	Liabilities	Assets	Liabilities		
Fair value hedge							
31.12.2024							
Mortgage loans	14'809'375			- 6'560		Loans	30'947
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions			2'310'300		- 38'135	Debt issued	- 33'947
31.12.2025							
Mortgage loans	14'932'063			- 7'157		Loans	- 597
Medium-term notes, shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions and Bonds			3'634'140		- 19'207	Debt issued	18'928
in CHF thousands						Ineffectiveness recognised in the income statement	Income statement position
Fair value hedge							
31.12.2024							
Interest rate risk						1'996	Net interest income
31.12.2025							
Fair value hedge							
Interest rate risk						- 468	Net interest income

15 Financial investments

in CHF thousands	31.12.2025	31.12.2024	+/- %
Financial investments measured at amortised cost			
Debt instruments			
listed	1'241'785	1'324'216	- 6.2
Total debt instruments	1'241'785	1'324'216	- 6.2
Total financial investments measured at amortised cost	1'241'785	1'324'216	- 6.2
Financial investments measured at fair value through profit and loss			
Debt instruments			
listed	0	2'744	- 100.0
unlisted	27'262	26'892	1.4
Total debt instruments	27'262	29'636	- 8.0
Equity instruments			
listed	14	9	54.6
unlisted	293	127	130.6
Total equity instruments	308	137	125.4
Total financial investments measured at fair value through profit and loss	27'570	29'772	- 7.4
Financial investments, measured at fair value through other comprehensive income			
Debt instruments			
listed	1'032'564	1'404'023	- 26.5
Total debt instruments	1'032'564	1'404'023	- 26.5
Equity instruments			
listed	235'807	208'095	13.3
unlisted	36'347	36'420	- 0.2
Total equity instruments	272'154	244'515	11.3
Total financial investments, measured at fair value through other comprehensive income	1'304'718	1'648'539	- 20.9
Total financial investments	2'574'073	3'002'527	- 14.3

The equity instruments recognised at fair value through other comprehensive income consist of strategic investments of an infrastructure nature, which are not exchange-listed (see [note 33](#)), as well as various equities of the Swiss Market Index (SMI). Short-term profit-taking is not the focus with equity instruments recognised at fair value through other comprehensive income, rather they represent a long-term position which pursues the collection of dividends and a long-term appreciation in value.

Within the scope of its ESG strategy and the reweighting of the SMI, LLB adjusted its portfolio of equities recognised in other comprehensive income. The disposals resulted in a profit of CHF 4.9 million (previous year: profit of CHF 1.3 million). The fair value of the transactions amounted to CHF 14.8 million (previous year: CHF 7.1 million). The profit was recognised directly in retained earnings.

16 Property and other equipment

in CHF thousands	Property	Right of use assets ¹	Other equipment	Total
Year ended December 2024				
Cost as at 1 January	203'226	47'027	96'693	346'947
Additions	15'611	2'985	8'153	26'750
Disposals	- 210	- 1'889	- 5'726	- 7'826
Currency effects	0	289	84	373
Cost as at 31 December	218'627	48'413	99'204	366'244
Accumulated depreciation / impairments as at 1 January	- 118'327	- 22'032	- 72'571	- 212'930
Depreciation	- 4'560	- 5'785	- 8'636	- 18'982
(Impairments) / Reversal of impairments	0	158	0	158
Disposals / (Additions) from accumulated depreciation	114	1'164	5'664	6'943
Currency effects	0	- 89	- 59	- 148
Accumulated depreciation / impairments as at 31 December	- 122'773	- 26'585	- 75'602	- 224'959
Carrying amount as at 31 December 2024	95'854	21'828	23'602	141'284
Year ended December 2025				
Cost as at 1 January	218'627	48'413	99'204	366'244
Additions	10'291	19'533	14'587	44'411
Additions from changes to scope of consolidation	0	1'396	2'058	3'454
Disposals	- 746	- 3'388	- 5'642	- 9'776
Currency effects	0	- 188	- 55	- 243
Cost as at 31 December	228'173	65'766	110'151	404'090
Accumulated depreciation / impairments as at 1 January	- 122'773	- 26'585	- 75'602	- 224'959
Depreciation	- 4'786	- 7'099	- 8'730	- 20'615
(Impairments) / Reversal of impairments	- 39	155	0	116
Disposals / (Additions) from accumulated depreciation	369	1'164	5'633	7'166
Currency effects	0	106	57	164
Accumulated depreciation / impairments as at 31 December	- 127'229	- 32'259	- 78'641	- 238'129
Carrying amount as at 31 December 2025	100'944	33'507	31'510	165'961

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

The LLB Group as lessee

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

The LLB Group as lessor

Future claims from operating leases

in CHF thousands	31.12.2025	31.12.2024	+/- %
Due within one year	1'203	1'253	- 4.0
Residual period to maturity between 1 and 2 years	1'115	1'114	0.0
Residual period to maturity between 2 and 3 years	1'083	1'114	- 2.9
Residual period to maturity between 3 and 4 years	763	1'082	- 29.5
Residual period to maturity between 4 and 5 years	763	763	0.1
Due in more than five years	1'517	2'278	- 33.4
Total future net receivables from operating leases	6'443	7'604	- 15.3

Income from operating leases is a part of [other income](#) and amounted to CHF thousands 1'598 (2024: CHF thousands 1'614). Properties are only leased.

17 Goodwill and other intangible assets

in CHF thousands	Goodwill	Client relationships	Software	Other intangible assets	Total
Year ended December 2024					
Cost as at 1 January	149'617	140'926	162'669	1'138	454'349
Additions	0	0	20'516	0	20'516
Disposals	0	0	- 1'820	0	- 1'820
Currency effects	1'349	1'144	100	0	2'593
Cost as at 31 December	150'966	142'070	181'464	1'138	475'638
Accumulated depreciation / impairments as at 1 January	0	- 85'416	- 108'133	- 1'116	- 194'665
Reclassifications	0	0	22	- 22	0
Depreciation	0	- 5'705	- 11'823	0	- 17'529
Disposals / (Additions) from accumulated amortisation	0	0	1'820	0	1'820
Currency effects	0	- 313	- 29	0	- 343
Accumulated depreciation / impairments as at 31 December	0	- 91'435	- 118'143	- 1'138	- 210'716
Carrying amount as at 31 December 2024	150'966	50'635	63'321	0	264'922
Year ended December 2025					
Cost as at 1 January	150'966	142'070	181'464	1'138	475'638
Additions	0	0	19'333	0	19'333
Additions from changes to scope of consolidation	43'148	17'933	0	0	61'080
Disposals	0	0	- 351	0	- 351
Currency effects	- 1'251	- 926	- 75	0	- 2'252
Cost as at 31 December	192'863	159'076	200'371	1'138	553'448
Accumulated depreciation / impairments as at 1 January	0	- 91'435	- 118'143	- 1'138	- 210'716
Reclassifications	0	0	0	0	0
Depreciation	0	- 6'787	- 13'129	0	- 19'916
Disposals / (Additions) from accumulated amortisation	0	0	0	0	0
Currency effects	0	325	30	0	355
Accumulated depreciation / impairments as at 31 December	0	- 97'897	- 131'242	- 1'138	- 230'277
Carrying amount as at 31 December 2025	192'863	61'179	69'129	0	323'171

Goodwill

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

in CHF thousands	31.12.2025	31.12.2024
Segment Retail & Corporate Banking	72'299	55'620
Segment International Wealth Management ¹	120'564	95'346
Total	192'863	150'966

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

Goodwill impairment testing

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

On the basis of the impairment testing carried out, management reached the conclusion that for the year ended 31 December 2025, the total goodwill of CHF 192.9 million assigned to the cash generating units remains recoverable.

Recoverable amount

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

Assumptions

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

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

in per cent	Growth rate		Discount rate	
	2025	2024	2025	2024
Segment Retail & Corporate Banking	1.5	1.5	5.5	5.5
Segment International Wealth Management	1.5	1.5	7.5	7.5

Sensitivities

All the parameters and assumptions, on which the testing of the individual cash generating units are based, are reviewed and, if necessary, adjusted during the periodic preparation and conducting of impairment tests. In order to check the effects of parameter adjustments on the value in use of the individual cash generating units, the parameters and assumptions used with the valuation model are subjected to an individual sensitivity analysis. For this purpose, the forecasted free cash flow is changed by 10 per cent, the discount rate by 10 per cent and the long-term growth rates also by 10 per cent. According to the results of the impairment tests performed, and based on the assumptions described, an amount of between CHF 158 million and CHF 465 million in excess of the balance sheet value is obtained for all cash generating units. A reduction of the free cash flow by 10 per cent, or an increase in the discount rate of 10 per cent, or a reduction in the long-term growth rate of 10 per cent would not result in any impairment of the goodwill.

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

Client relationships

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

in CHF thousands	
2026	6'817
2027	6'817
2028	6'817
2029	6'817
2030	6'817
2031 and thereafter	27'095
Total	61'179

18 Other assets

in CHF thousands	31.12.2025	31.12.2024	+/- %
Precious metals holdings	106'497	73'759	44.4
Settlement accounts	19'813	17'264	14.8
Investment property ¹	19'266	19'311	- 0.2
Non-current assets held for sale	8'057	13'081	- 38.4
VAT and other tax receivables	6'341	5'637	12.5
Current tax assets	0	0	
Investment in associates and joint venture	3'315	36	
Total other assets	163'289	129'088	26.5

¹ Facilitate value appreciation and include properties and buildings. They are valued according to the fair value model on every balance sheet reporting date. Changes to the fair value, based on expert analyses carried out, are recognised in net income from property (see [note 5](#)).

19 Assets pledged

in CHF thousands	31.12.2025		31.12.2024	
	Carrying amount	Actual liability	Carrying amount	Actual liability
Cash and balances with central banks	12'528	25'055	13'325	26'650
Due from banks	40'751	11'338	206'915	296'020
Mortgage loans	3'249'855	2'371'100	2'912'450	2'143'600
Financial investments	162'590	0	124'311	7'633
Loans	16'977	18'868	9'085	17'793
Total pledged / assigned assets	3'482'701	2'426'361	3'266'086	2'491'697

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

The amounts due from banks correspond to the pledged cash collaterals in derivatives business.

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

20 Due to banks

in CHF thousands	31.12.2025	31.12.2024	+/- %
On demand	640'967	707'360	- 9.4
At maturity or callable	81'810	396'317	- 79.4
Total due to banks	722'777	1'103'678	- 34.5

21 Due to customers

in CHF thousands	31.12.2025	31.12.2024	+/- %
On demand ¹	14'909'652	13'689'875	8.9
At maturity or callable	3'335'297	4'045'893	- 17.6
Savings accounts	2'963'921	2'908'739	1.9
Total due to customers	21'208'869	20'644'507	2.7

1 Of which liabilities from precious metals measured at fair value through profit and loss amounting to CHF 315.5 million (previous year: CHF 172.9 million)

22 Debt issued

in CHF thousands	31.12.2025	31.12.2024	+/- %
Medium-term notes ¹	84'920	132'875	- 36.1
Shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions ²	2'376'288	2'139'291	11.1
Bonds	1'153'725	751'855	53.5
Carrying amount adjustment from the fair value hedge accounting portfolio ³	19'207	38'135	- 49.6
Total debt issued	3'634'140	3'062'154	18.7

1 The average interest rate was 1.0 per cent as at 31 December 2025 (31.12.2024: 1.0 %).

2 The average interest rate was 0.9 per cent as at 31 December 2025 (31.12.2024: 0.9 %).

3 The presentation as a separate line item led to an adjustment of the previous year's value in the position "Medium-term notes".

The following table contains further information on the bonds issued:

Year issued	Name	ISIN	Currency	Maturity	Effective annual interest rate in %	Nominal interest rate in %	in CHF thousands		
							Nominal value	31.12.2025	31.12.2024
2019	Liechtensteinische Landesbank AG 0.125% Senior Preferred Anleihe 2019 – 2026	CH0419041204	CHF	28.05.2026	0.106 %	0.125 %	150'000	150'123	150'151
2019	Liechtensteinische Landesbank AG 0.000% Senior Preferred Anleihe 2019 – 2029	CH0419041527	CHF	27.09.2029	- 0.133 %	0.000 %	100'000	100'500	100'635
2020	Liechtensteinische Landesbank AG 0.300% Senior Preferred Anleihe 2020 – 2030	CH0536893255	CHF	24.09.2030	0.315 %	0.300 %	150'000	150'014	149'992
2023	Liechtensteinische Landesbank AG 2.5 % Senior Non-Preferred Anleihe 2023 – 2030	CH1306117040	CHF	22.11.2030	2.522 %	2.500 %	150'000	150'239	150'211
2024	Liechtensteinische Landesbank AG 1.6% Senior Preferred Anleihe 2024 – 2034	CH1380910237	CHF	30.10.2034	1.581 %	1.600 %	200'000	200'834	200'866
2025	Liechtensteinische Landesbank AG 1.7% Senior Non-Preferred Anleihe 2025 – 2033	CH1423931596	CHF	22.04.2033	1.717 %	1.700 %	200'000	202'108	
2025	Liechtensteinische Landesbank AG 0.95% Senior Preferred Anleihe 2025 – 2032	CH1487332095	CHF	12.11.2032	0.975 %	0.950 %	200'000	199'907	

23 Changes to liabilities from financing activities

in CHF thousands	01.01.2024	Cash changes	Non-cash changes				31.12.2024
			Changes in scope of consolidation	Changes in exchange rates	Changes in fair value	Other	
Medium-term notes ¹	213'516	- 80'522	0	0	0	- 120	132'875
Shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions ¹	1'813'184	325'000	0	0	0	1'107	2'139'291
Bonds ¹	551'090	200'000	0	0	0	765	751'855
Lease liabilities	27'925	- 6'386	0	0	0	2'640	24'179
Carrying amount adjustment from the fair value hedge accounting portfolio ²	4'187	0	0	0	33'947	0	38'135
Total liabilities from financing activities	2'609'902	438'092	0	0	33'947	4'392	3'086'333

in CHF thousands	01.01.2025	Cash changes	Non-cash changes				31.12.2025
			Changes in scope of consolidation	Changes in exchange rates	Changes in fair value	Other	
Medium-term notes ¹	132'875	- 47'701	0	0	0	- 254	84'920
Shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions ¹	2'139'291	236'500	0	0	0	497	2'376'288
Bonds ¹	751'855	400'000	0	0	0	1'870	1'153'725
Lease liabilities	24'179	- 7'524	0	0	0	18'925	35'579
Carrying amount adjustment from the fair value hedge accounting portfolio ²	38'135	0	0	0	- 18'928	0	19'207
Total liabilities from financing activities	3'086'333	581'276	0	0	- 18'928	21'039	3'669'719

¹ Part of the balance sheet position "Debt issued"

² The presentation as a separate line item led to an adjustment of the previous year's value in the position "Medium-term notes".

24 Deferred taxes

in CHF thousands	As at 1 January	Amount recognised in the income statement	Amount recognised in other com- prehensive income	Currency effects	Additions and disposals from changes to the scope of consolidation / Reclas- sifications	As at 31 December
Deferred tax assets						
2024 (restated)						
Recognised rights of use from leases	73	49	0	0	0	122
Property and equipment	3'325	524	0	0	0	3'849
Liability for pension plans	6'070	- 907	3'670	0	0	8'833
Intangible assets	25	4	0	0	0	29
Derivative financial instruments	- 777	0	0	0	777	0
Expected credit losses	800	84	0	0	0	884
Financial investments	0	24	0	0	0	24
Accruals and deferrals ¹	3'166	0	0	0	0	3'166
Total	12'681	- 222	3'670	0	777	16'907
Offsetting						- 3'351
Total after offsetting						13'556
2025						
Tax losses carried forward	0	- 2'170	0	- 11	2'181	0
Recognised rights of use from leases	122	24	0	0	0	146
Property and equipment	3'849	86	0	7	80	4'022
Liability for pension plans	8'833	20	- 3'984	0	0	4'869
Intangible assets	29	3	0	- 0	0	32
Expected credit losses	884	- 332	14	0	- 29	538
Financial investments	24	- 22	0	0	0	2
Accruals and deferrals	3'166	- 3'142	0	- 24	0	- 0
Total	16'907	- 5'532	- 3'970	- 29	2'232	9'608
Offsetting						- 2'333
Total after offsetting						7'275
Deferred tax liabilities						
2024						
Intangible assets	9'675	- 1'057	0	141	0	8'759
Financial investments	800	15	2'142	- 43	0	2'914
Derivative financial instruments	0	505	0	0	777	1'282
Property and equipment	599	91	0	6	0	696
Provisions	11'939	755	0	- 7	0	12'688
Total	23'013	310	2'142	97	777	26'339
Offsetting						- 3'351
Total after offsetting						22'989
2025						
Intangible assets	8'759	- 1'308	0	- 111	4'080	11'420
Financial investments	2'914	14	851	36	0	3'815
Derivative financial instruments	1'282	- 70	0	0	0	1'213
Property and equipment	696	0	0	- 7	0	689
Provisions	12'688	- 68	0	- 5	- 85	12'530
Total	26'339	- 1'432	851	- 88	3'995	29'666
Offsetting						- 2'333
Total after offsetting						27'333

¹ The opening balance of the previous year was restated. Information can be found in [point 1.2 in the Accounting principles](#).

As at 31 December 2025, there were no temporary differences which were not reported as deferred taxes and which in future could be offset with potential tax allowances (previous year: CHF thousands 0).

25 Provisions

in CHF thousands	Provisions for legal and litigation risks	Provisions for other business risks and restructuring	Total 2025	Total 2024
As at 1 January	528	12'093	12'622	15'445
Provisions applied	0	- 3'535	- 3'535	- 6'151
Increase in provisions recognised in the income statement	1'027	7'932	8'958	5'339
Decrease in provisions recognised in the income statement	- 11	- 1'834	- 1'845	- 2'166
Currency effects	- 4	- 55	- 59	154
Additions from changes to scope of consolidation	28	1'348	1'376	0
As at 31 December	1'568	15'949	17'517	12'622

in CHF thousands	31.12.2025	31.12.2024	+/- %
Short-term provisions	11'500	3'350	243.3
Long-term provisions	6'017	9'272	- 35.1
Total	17'517	12'622	38.8

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

Provisions for legal and litigation risks

In the 2025 financial year, the LLB Group increased the provisions for legal and litigation risks by CHF 1.0 million for an existing legal case.

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

Provisions for other risks and restructuring measures

Within the scope of the integration of LLB Bank AG (formerly ZKB Österreich) in the LLB Group, provisions amounting to CHF 6.1 million were allocated in the 2025 financial year. Of these, CHF 3.6 million were provisions for restructuring measures. These are reported under personnel expenses. Furthermore, CHF 2.5 million were set aside for an IT contract containing potential service payments for services that will not be utilised for the period 2026–2029. These are reported under general and administrative expenses.

Specific provisions totalling CHF 3.5 million were applied, of which around half were attributable to restructuring costs.

26 Other liabilities

in CHF thousands	31.12.2025	31.12.2024	+/- %
Lease liabilities	35'579	24'179	47.2
Charge accounts	15'121	15'874	- 4.7
Accounts payable	29'411	43'716	- 32.7
Settlement accounts	37'973	44'586	- 14.8
Pension plans	35'963	63'514	- 43.4
Outstanding holidays / flexi-time	4'213	3'770	11.8
Other long-term benefits	5'058	4'703	7.5
Total other liabilities	163'318	200'341	- 18.5

27 Share capital

	31.12.2025	31.12.2024	+/- %
Number of registered shares (fully paid up)	30'800'000	30'800'000	0.0
Nominal value per registered share (in CHF)	5	5	0.0
Total nominal value (in CHF thousands)	154'000	154'000	0.0

28 Share premium

in CHF thousands	2025	2024	+/- %
As at 1 January	- 15'127	- 15'066	0.4
Net movements in treasury shares	- 1'181	- 61	
As at 31 December	- 16'308	- 15'127	7.8

Share entitlements at the LLB

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

In 2025, share entitlements of CHF 2.8 million (35'205 shares at an average price of CHF 78.26) were earned and recognised in personnel expenses. In the previous year, it was CHF 3.1 million (44'464 shares at an average price of CHF 70.28).

29 Treasury shares

	Quantity	in CHF thousands
As at 1 January 2024	208'055	13'356
Purchases	207'630	14'751
Disposals	- 53'303	- 3'472
As at 31 December 2024	362'382	24'634
Purchases	121'725	9'624
Disposals	- 55'694	- 3'832
As at 31 December 2025	428'413	30'426

The purchases relate to the [share repurchase programme](#) launched on 28 August 2023. It was successfully completed on 11 August 2025.

Sales of treasury shares represent the transfer of acquired entitlements to eligible employees of the LLB Group after a blocking period of up to six years; no cash was received. The average price per share totalled CHF 68.80 (previous year: CHF 65.15). The proportion of the total share capital transferred to employees was 0.2 per cent (previous year: 0.2 %).

30 Retained earnings

in CHF thousands	2025	2024	+/- %
As at 1 January ¹	2'206'579	2'120'777	4.0
Net profit attributable to the shareholders of LLB	166'387	167'106	- 0.4
Dividends paid	- 85'207	- 82'565	3.2
Reclassification not affecting the income statement	4'898	1'261	288.4
As at 31 December	2'292'656	2'206'579	3.9

¹ The previous year was restated. Information can be found in [point 1.2 in the Accounting principles](#).

31 Other reserves

in CHF thousands	2025	2024	+/- %
As at 1 January	- 106'766	- 136'250	- 21.6
Currency effects	- 4'633	5'061	
Actuarial gains / (losses) of pension plans	25'024	- 16'667	
Value changes from financial investments measured at fair value through other comprehensive income	47'166	42'351	11.4
Reclassification not affecting the income statement	- 4'898	- 1'261	288.4
As at 31 December	- 44'106	- 106'766	- 58.7

32 Non-controlling interests

in CHF thousands	2025	2024	+/- %
As at 1 January	1'046	962	8.7
Currency effects	- 7	71	
Non-controlling interests in net profit	140	133	4.9
(Dividends paid) / Reduction of nominal value in non-controlling interests	- 199	- 134	48.0
Increase / (Reduction) in non-controlling interests	27	9	209.9
Actuarial gains / (losses) of pension plans	0	0	546.9
Value changes from financial investments measured at fair value through other comprehensive income	- 1	4	
As at 31 December	1'005	1'046	- 3.9

33 Fair value measurement

Measurement guidelines and classification in the fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

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

Valuation models and techniques

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

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

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

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

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

Measurement of assets and liabilities, classified as Level 3

Financial investments measured at fair value through other comprehensive income

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

Investment property

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

Measurement of fair values through active markets or valuation models and techniques

Positions measured at fair value are recognised on a recurring basis in the balance sheet at fair value. As at 31 December 2025, the LLB Group had no assets which were measured at fair value on a non-recurring basis in the balance sheet; the same applies to liabilities.

Transfers of positions measured at fair value, or of positions for which a fair value exists, to or from a level are generally made at the end of a period. In the current financial year there were no significant transfers between Level 1, Level 2 and Level 3 financial instruments.

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

in CHF thousands	31.12.2025	31.12.2024	+/- %
Assets			
Level 1			
Financial investments measured at fair value through profit and loss	14	2'753	- 99.5
Financial investments, measured at fair value through other comprehensive income	1'268'371	1'612'118	- 21.3
Precious metal receivables	210'078	99'850	110.4
Total financial instruments measured at fair value	1'478'463	1'714'722	- 13.8
Precious metals holdings	106'497	73'759	44.4
Total other assets measured at fair value	106'497	73'759	44.4
Cash and balances with central banks	5'632'467	5'936'085	- 5.1
Financial investments measured at amortised cost	1'256'046	1'337'696	- 6.1
Total financial instruments not measured at fair value	6'888'513	7'273'781	- 5.3
Total Level 1	8'473'472	9'062'261	- 6.5
Level 2			
Derivative financial instruments	148'872	466'637	- 68.1
of which for hedging purpose	47'826	65'511	- 27.0
Financial investments measured at fair value through profit and loss ¹	27'264	27'020	0.9
Total financial instruments measured at fair value	176'136	493'656	- 64.3
Due from banks	2'019'515	1'076'823	87.5
Loans	17'402'052	16'932'458	2.8
Total financial instruments not measured at fair value	19'421'567	18'009'281	7.8
Total Level 2	19'597'703	18'502'938	5.9
Level 3			
Financial investments measured at fair value through profit and loss ²	291	0	
Financial investments, measured at fair value through other comprehensive income ²	36'347	36'420	- 0.2
Total financial instruments measured at fair value	36'638	36'420	0.6
Investment property	19'266	19'311	- 0.2
Total other assets measured at fair value	19'266	19'311	- 0.2
Total Level 3	55'904	55'731	0.3
Total assets	28'127'079	27'620'930	1.8

1 Investment funds and equities

2 Infrastructure titles

in CHF thousands	31.12.2025	31.12.2024	+/- %
Liabilities			
Level 1			
Precious metal liabilities	315'513	172'857	82.5
Total financial instruments measured at fair value	315'513	172'857	82.5
Total Level 1	315'513	172'857	82.5
Level 2			
Derivative financial instruments	108'691	346'376	- 68.6
of which for hedging purpose	10'227	9'107	12.3
Total financial instruments measured at fair value	108'691	346'376	- 68.6
Due to banks	722'669	1'104'374	- 34.6
Due to customers	20'853'764	20'462'854	1.9
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions	2'540'693	2'373'711	7.0
Bonds	1'165'428	760'647	53.2
Total financial instruments not measured at fair value	25'282'554	24'701'585	2.4
Total Level 2	25'391'245	25'047'961	1.4
Level 3			
Total Level 3	0	0	
Total liabilities	25'706'758	25'220'818	1.9

Financial instruments not measured at fair value

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

The following table shows this comparison only for positions which are not measured at fair value, since for positions measured at fair value the carrying amount corresponds to the fair value. On account of the maturity being more than one year, for specific positions a present value was calculated taking as a basis SARON interest rates appropriate for the duration of the term. In the case of all other positions, the carrying amount represents a reasonable approximation of the fair value.

in CHF thousands	31.12.2025		31.12.2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances with central banks	5'632'467	5'632'467	5'936'085	5'936'085
Due from banks ¹	2'020'010	2'019'515	1'077'871	1'076'823
Loans	17'013'813	17'402'052	16'488'886	16'932'458
Financial investments measured at amortised cost	1'241'785	1'256'046	1'324'216	1'337'696
Liabilities				
Due to banks	722'777	722'669	1'103'678	1'104'374
Due to customers ¹	20'893'356	20'853'764	20'471'650	20'462'854
Medium-term notes and shares in bond issues of the Swiss Regional or Cantonal Banks' Central Bond Institutions	2'461'208	2'540'693	2'310'300	2'373'711
Bonds	1'153'725	1'165'428	751'855	760'647

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

34 Netting of financial assets and financial liabilities

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

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

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

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

in CHF thousands	On the balance sheet recognised amounts	Potential netting amounts		Amounts after potential netting
		Financial instruments	Financial collaterals	
31.12.2024				
Financial assets subject to off-setting, enforceable netting agreements or similar arrangements				
Reverse repurchase agreements	600'094	0	0	600'094
Positive replacement values	137'831	101'942	13'144	22'745
Total assets	737'925	101'942	13'144	622'839
Financial liabilities subject to off-setting, enforceable netting agreements or similar arrangements				
Repurchase agreements	0	0	0	0
Negative replacement values	302'994	101'942	180'058	20'994
Total liabilities	302'994	101'942	180'058	20'994
31.12.2025				
Financial assets subject to off-setting, enforceable netting agreements or similar arrangements				
Reverse repurchase agreements	1'750'000	0	1'750'000	0
Positive replacement values	103'098	51'475	29'425	22'198
Total assets	1'853'098	51'475	1'779'425	22'198
Financial liabilities subject to off-setting, enforceable netting agreements or similar arrangements				
Repurchase agreements	14	0	14	0
Negative replacement values	62'813	51'475	9'769	1'568
Total liabilities	62'827	51'475	9'783	1'568

The LLB Group also conducts securities lending and borrowing transactions as a principal (see [note 38](#)). To reduce the risks associated with such transactions, Global Master Securities Lending Agreements (GMSLA) are concluded with the counterparties. Both securities and cash funds are employed as collateral.

Notes to the consolidated off-balance sheet transactions

35 Contingent liabilities

in CHF thousands	31.12.2025	31.12.2024	+/- %
Collateral guarantees and similar instruments	6'928	7'934	- 12.7
Performance guarantees and similar instruments	49'682	52'074	- 4.6
Total contingent liabilities	56'609	60'008	- 5.7

36 Credit risks

in CHF thousands	31.12.2025	31.12.2024	+/- %
Irrevocable commitments	863'862	810'214	6.6
Deposit and call liabilities	13'428	14'039	- 4.4
Total credit risks	877'291	824'253	6.4

37 Fiduciary transactions

in CHF thousands	31.12.2025	31.12.2024	+/- %
Fiduciary deposits with other banks	93'987	124'794	- 24.7
Other fiduciary financial transactions	1'092	2'937	- 62.8
Total fiduciary transactions	95'080	127'731	- 25.6

38 Lending and pension transactions with securities

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

in CHF thousands	31.12.2025		31.12.2024	
	Carrying amount	Actual liability	Carrying amount	Actual liability
Self-owned securities lent or delivered as collateral within the scope of securities lending or borrowing transactions, or self-owned securities transferred in connection with repurchase agreements	9'522	7'285	3'348	7'633
of which capable of being resold or further pledged without restrictions	9'522	7'285	3'348	7'633
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	1'751'347	1'750'000	604'694	600'094
of which resold or further pledged securities	0	0	0	0

Pension plans and other long-term benefits

Pension plans

Post-employment benefits

The LLB Group has established a number of pension plans, in compliance with prevailing legal provisions, which insure most employees in the event of death, invalidity and retirement. In addition, further plans exist for long-service anniversaries, which qualify as other long-term employee benefits. In the case of the pension plans, contributions are made by employees, which are then supplemented by corresponding contributions from the LLB Group. The pension schemes are financed in compliance with the local legal and fiscal regulations. The risk benefits are based on the insured salary and the pension benefits on the accumulated capital. The assets of the funded pension plans are held within separate foundations or insurances and may not revert to the employer. For the calculation of mortality, life expectancy and disability, the technical bases BVG 2020 (previous year: BVG 2020) were used for all significant pension plans. The last actuarial valuations were performed as at 31 December 2025. The actuarial gains and losses are included in other comprehensive income.

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

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

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

structure and the legal provisions of the BPVG and BVG, the employer is subject to actuarial risks. The most important of these are investment risk, interest rate risk and longevity risk. The risks of death and invalidity are congruently re-insured. Currently, the individually accumulated pension capital for employees insured in Liechtenstein is converted into a life-long pension at age 65 at a pension conversion rate of 4.98 per cent. The conversion rate will gradually decrease to 4.82 per cent at age 65 by 1 January 2027. Amendments to the contribution payments made by the bank, the associated companies, or the employees require, in accordance with the regulations, the approval of the bank, the associated companies and a majority of the foundation board. The pension plans are financed through contributions made by the employer and the employees. The amount of the contributions is specified in the pension plan regulations. The employer must bear at least half of the contributions. In the event of underfunding, financial recovery contributions may be charged to both the employer and the employee to eliminate the shortfall in coverage, the employer must pay at least 50 per cent of the restructuring contributions.

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

Benefit expenses

in CHF thousands	Pensions plans		Other long-term benefits	
	2025	2024	2025	2024
Defined benefit costs				
Service cost				
Current service cost	- 19'171	- 14'335	- 608	- 586
Past service cost including effects of curtailment	- 1'003	3'050	9	0
Loss from non-routine settlements	0	- 78	0	0
Total service cost	- 20'174	- 11'363	- 599	- 586
Net interest				
Interest cost on defined benefit obligation	- 6'159	- 8'476	- 72	- 80
Interest income on plan assets	5'679	7'943	0	0
Total net interest	- 480	- 533	- 72	- 80
Administration expense	- 568	- 601	0	0
Net actuarial (losses) / gains recognised	0	0	- 15	- 346
Total defined benefit cost	- 21'222	- 12'497	- 686	- 1'012
of which personnel expenses	- 19'735	- 12'497	- 707	- 1'012
of which financial expense	- 1'487	0	21	0
Contributions to defined contribution plans	- 571	- 1'396	- 164	0
Remeasurement of the defined benefit liability				
Actuarial (gains) / losses				
Arising from changes in demographic assumptions	0	1'428	0	0
Arising from changes in economic assumptions	12'063	- 37'679	93	29
Arising from experience	- 18'793	- 5'377	- 163	- 375
Return on plan assets (excl. amounts in interest income)	35'742	21'290	0	0
Total defined benefit cost recognised in other comprehensive income	29'012	- 20'337	- 70	- 346
Total benefit cost	7'219	- 34'230	- 920	- 1'358

Development of plan obligations

in CHF thousands	Pensions plans		Other long-term benefits	
	2025	2024	2025	2024
As at 1 January	651'119	581'532	4'704	4'168
Current service cost	19'171	14'335	608	586
Plan participation contributions	10'428	10'314	0	0
Interest costs	6'159	8'476	72	80
Liabilities extinguished on settlements	0	- 234	0	0
(Gains) / Losses on curtailments	- 484	0	- 9	0
Liabilities assumed in a business combination	1'048	0	331	0
Benefits paid through pension assets	- 33'747	- 1'906	0	0
Benefits paid by employer	- 563	0	- 702	- 498
Actuarial (gains) / losses	6'730	41'628	70	346
Plan amendments	1'487	- 3'050	0	0
Currency effects	- 108	24	- 16	22
As at 31 December	661'240	651'119	5'058	4'704
of which active employees	456'220	467'005		
of which pensioners	203'533	184'114		
Average term of obligation	14	14		

Development of plan assets

in CHF thousands	Pension plans	
	2025	2024
As at 1 January	587'604	532'206
Plan participation contributions	10'428	10'314
Company contributions	20'139	18'670
Assets distributed on settlements	0	- 312
Interest income on plan assets	5'679	7'943
Administration expense	- 568	- 601
Benefits paid through pension assets	- 33'747	- 1'906
Return on plan assets (excl. amounts in interest income)	35'742	21'290
As at 31 December	625'277	587'604

The pension fund assets as at 31 December 2025 include shares of LLB with a market value of CHF thousands 57 (31.12. 2024: CHF thousands 34). The expected Group contributions for the 2026 financial year amount to CHF thousands 18'336 for the pension plans and CHF thousands 617 for the other long-term benefits.

Overview of net debt recognised in the balance sheet

in CHF thousands	Pension plans		Other long-term benefits	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Present value of funded obligations	658'297	649'582	0	0
Minus fair value of plan assets	625'277	587'604	0	0
Under- / (Over-)funded	33'020	61'978	0	0
Present value of unfunded obligations	2'943	1'537	5'058	4'703
Net debt recognised in the balance sheet	35'963	63'514	5'058	4'703

Asset classes

in CHF thousands	Share of total assets	
	31.12.2025	31.12.2024
Equities		
listed market prices (Level 1)	251'776	210'305
other than listed market prices	0	0
Bonds		
listed market prices (Level 1)	220'774	242'036
other than listed market prices	0	0
Real estate		
listed market prices (Level 1)	13'908	11'038
other than listed market prices / direct investments	67'285	63'848
Alternative financial investments	35'945	28'635
Qualified insurance policies	23'670	25'615
Other financial investments	619	630
Cash and cash equivalents	11'300	5'497
Total plan assets	625'277	587'604

Principal actuarial assumptions

in per cent	Pension plans		Other long-term benefits	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Discount rate	1.2	1.0	1.9	1.7
Future salary increases	1.3	1.3	1.8	1.7
Future pension indexations	0.0	0.0	0.0	0.0
Interest credit rate	2.0	1.8		
Capital withdrawal rate	37.8	37.8		
Life expectancy at the age of 65				
Year of birth	1980	1979		
men	25.3	25.2		
women	26.8	26.7		
Year of birth	1960	1959		
men	23.1	23.0		
women	24.8	24.7		

The demographic assumptions correspond to those for the year 2025 based on BVG 2020.

Sensitivity analysis of significant actuarial assumptions

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

in CHF thousands	Pension plans			
	31.12.2025		31.12.2024	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Discount rate	- 22'079	23'520	- 22'114	22'853
Salary increase	1'921	- 1'869	2'132	- 1'858
Interest credit rate	5'652	- 5'515	6'204	- 5'477
	+ 10.00%	- 10.00%	+ 10.00%	- 10.00%
Capital withdrawal rate	- 4'583	4'706	- 5'290	5'804
	+ 1 year	- 1 year	+ 1 year	- 1 year
Life expectancy	13'712	- 13'916	12'505	- 13'143

Related party transactions

Related parties

The LLB Group is controlled by the Principality of Liechtenstein, which holds 56.3 per cent of the registered shares of Liechtensteinische Landesbank AG, Vaduz (previous year: 56.3 %). At the end of the year under report, LLB held 1.4 per cent of its own shares (previous year: 1.2 %) and 0.2 per cent were held by members of the Board of Directors and the Board of Management (previous year: 0.4 %).

The related parties of the LLB Group comprise the Principality of Liechtenstein, associated companies and joint ventures, own pension funds, members of the Board of Directors and the Board of Management, as well as their close family members and companies, which are controlled by these persons.

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

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

Compensation of key management personnel

	Fixed compensation		Variable compensation		Entitlements ¹		Contribution to benefit plans and other social contributions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
in CHF thousands										
Members of the Board of Directors										
Georg Wohlwend, Chairman	320	300	0	0	80	40	100	88	500	428
Richard Senti, Vice Chairman	137	125	0	0	30	30	13	12	180	167
Nicole Brunhart, Member	68	68	0	0	30	20	14	5	112	93
Leila Frick-Marxer, Member	78	65	0	0	30	20	6	5	114	90
Thomas Russenberger, Member	90	80	0	0	30	20	9	8	129	108
Karl Sevelda, Member	70	64	0	0	30	20	0	0	100	84
Christian Wiesendanger, Member	85	68	0	0	30	20	7	5	122	93
Total	848	770	0	0	260	170	149	124	1'257	1'063
Members of the Board of Management										
Gabriel Brenna, Group CEO until 11 June 2025 ²	782	921	154	221	231	331	234	244	1'401	1'717
Other members of the Board of Management ^{3/4}	2'560	2'404	607	572	911	859	950	867	5'028	4'702
Total	3'342	3'325	761	793	1'142	1'189	1'184	1'111	6'429	6'418

1 The members of the Board of Directors receive a portion of their fixed compensation in the form of entitlements. With the members of the Executive Management, 60 per cent of the variable compensation consists of entitlements, which contain shares and a cash component. The total compensation comprises the total of the fixed and variable compensation plus the entitlements.

2 On 11 June 2025, Gabriel Brenna stood down as Chief Executive Officer and left the company per 31 October 2025. During the period from 11 June 2025 to 30 September 2025, Group CFO Christoph Reich additionally took over the duties of Chief Executive Officer ad interim. Christoph Reich received no additional compensation for this interim function. On 1 October 2025, Christoph Reich was appointed the new Chief Executive Officer of the company.

3 Urs Müller took early retirement and stood down from the Executive Management from 31 March 2025 and ended his employment relationship with the bank from 31 July 2025. From 1 April 2025 until the arrival of Michael Hartmann as a new member of the Executive Board on 1 June 2025, CEO Gabriel Brenna additionally managed the Retail and Corporate Banking Division. Gabriel Brenna received no additional compensation for this interim function.

4 At the end of November 2025, the Board of Directors appointed Markus Schifferle as a member of the Group Executive Board and Group CFO subject to the approval of the FMA Liechtenstein. This body granted its approval on 12 January 2026. The compensation made to the other members of the Board of Management disclosed in this report therefore does not include the compensation Markus Schifferle received.

Loans to key management personnel and related parties

in CHF thousands	Fixed mortgages		Variable mortgages		Total	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Members of the Board of Directors						
Georg Wohlwend, Chairman	0	0	0	0	0	0
Richard Senti, Vice Chairman	198	198	471	472	669	670
Nicole Brunhart, Member	0	0	0	0	0	0
Leila Frick-Marxer, Member	0	0	0	0	0	0
Thomas Russenberger, Member	0	0	0	0	0	0
Karl Sevelda, Member	0	0	0	0	0	0
Christian Wiesendanger, Member	0	0	0	0	0	0
and related parties	0	0	0	0	0	0
Total	198	198	471	472	669	670
Members of the Board of Management						
Gabriel Brenna, Group CEO until 11 June 2025 ¹		0		0		0
Christoph Reich, Group CEO since 1 October 2025 ¹	0		0		0	
Other members of the Board of Management ^{2/3}	1'000	1'910	0	0	1'000	1'910
and related parties	0	0	0	0	0	0
Total	1'000	1'910	0	0	1'000	1'910

- On 11 June 2025, Gabriel Brenna stood down as Chief Executive Officer and left the company per 31 October 2025. During the period from 11 June 2025 to 30 September 2025, Group CFO Christoph Reich additionally took over the duties of Chief Executive Officer ad interim. On 1 October 2025, Christoph Reich was appointed the new Chief Executive Officer of the company.
- Urs Müller took early retirement and stood down from the Executive Management from 31 March 2025 and ended his employment relationship with the bank from 31 July 2025. From 1 April 2025 until the arrival of Michael Hartmann as a new member of the Executive Board on 1 June 2025, CEO Gabriel Brenna additionally managed the Retail and Corporate Banking Division.
- At the end of November 2025, the Board of Directors appointed Markus Schifferle as a member of the Group Executive Board and Group CFO subject to the approval of the FMA Liechtenstein. This body granted its approval on 12 January 2026. The loans made to the other members of the Board of Management disclosed in this report therefore do not include any corresponding loans made to Markus Schifferle.

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

At 31 December 2025, the maturities of the fixed mortgages for the members of the Board of Directors and related parties ranged between 3 and 13 months (previous year: between 15 and 25 months) at standard market client interest rates of 1.02 to 1.05 per cent per annum (previous year: 1.02 to 1.05 %).

At 31 December 2025, the maturities of variable mortgages for members of the Board of Directors and related parties extended to a maximum of 0 months (previous year: 0 months) at standard market client interest rates of 0.80 per cent per annum (previous year: 2.01). Following expiry, these are extended for a further 3 months providing they are not revoked.

At 31 December 2025, the maturities of fixed mortgages for members of the Board of Management amount to 25 months (previous year: between 0 and 88 months) at interest rates of 0.52 per cent per annum (previous year: 1.05 to 1.80 %).

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

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

Transactions with key management personnel and related parties

in CHF thousands	2025	2024	+/- %
Loans ¹			
As at 1 January	2'580	2'581	- 0.0
Loans issued / changes to management and related parties	999	0	
Loan repayments / changes to management and related parties	- 1'910	- 1	
As at 31 December	1'669	2'580	- 35.3
Deposits ¹			
As at 1 January	9'858	8'412	17.2
Change	- 1'171	1'446	
As at 31 December	8'686	9'858	- 11.9
Income and expenses ¹			
Interest income	15	42	- 64.9
Interest expenses	- 67	- 119	- 43.7
Other income ²	72	35	106.4
Other expenses	0	- 0	- 100.0
Total	20	- 42	

1 Additional information contains the footnotes of the table "Loans to key management personnel and related parties".

2 Mainly net fee and commission income

Transactions with related companies

in CHF thousands	2025	2024	+/- %
Loans			
As at 1 January	89'048	99'472	- 10.5
Change	- 24'046	- 10'425	130.7
As at 31 December	65'002	89'048	- 27.0
Deposits			
As at 1 January	7'471	10'570	- 29.3
Change	15'240	- 3'099	
As at 31 December	22'711	7'471	204.0
Income and expenses			
Interest income	2'627	3'564	- 26.3
Interest expenses	- 233	- 327	- 28.7
Other income	18	21	- 13.5
Other expenses	- 3	- 37	- 93.1
Total	2'410	3'221	- 25.2

The LLB Group has not issued guarantees to third parties for related parties (previous year: none). An acceptance obligation for private equity amounting to EUR 5 million exists, of which EUR 0.6 million is open. The current fair value of the proportion of private equity amounts to CHF 4.1 million (previous year: CHF 3.3 million).

Transactions with own pension funds

in CHF thousands	2025	2024	+/- %
Loans			
As at 1 January	1	0	
Change	- 1	1	
As at 31 December	0	1	- 89.8
Deposits			
As at 1 January	7'942	4'416	79.9
Change	926	3'526	- 73.7
As at 31 December	8'869	7'942	11.7
Income and expenses			
Interest income	3	2	2.8
Interest expenses	- 4	- 38	- 89.0
Other income ¹	1'094	1'015	7.8
Other expenses	0	0	
Total	1'092	979	11.5

¹ Mainly earnings from commissions and fees.

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

The LLB pension fund has transacted swaps to hedge against interest rate and exchange rate risks. Claims exist from derivative financial instruments amounting to CHF thousands 18 (previous year: CHF thousands 3'531) and liabilities amounting to CHF thousands 297 (previous year: CHF thousands 0) against the own pension fund.

Company acquisitions

On 9 January 2025, Liechtensteinische Landesbank Aktiengesellschaft (LLB AG) acquired within the scope of a share deal 100 per cent of the shares of the Zürcher Kantonalbank Österreich AG (ZKB Österreich) with registered office in Vienna. ZKB Österreich with business locations in Vienna and Salzburg employs around 120 persons. It has a strong market position in private banking business as well as acknowledged competence in asset management. The client groups of ZKB Österreich consist primarily of wealthy Austrian and German private clients. The purchase price for ZKB Österreich amounted to CHF 104.2 million and was paid in cash.

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

Acquired net assets	in EUR millions ¹
Assets	
Cash and balances with central banks	344.3
Financial investments	9.9
Due from banks	41.1
Loans	103.7
Intangible assets ²	19.1
Other assets	9.2
Acquired assets	527.3
Liabilities	
Due to customers	448.1
Other liabilities	14.3
Assumed liabilities	462.4
Acquired net assets	64.9
Total purchase price	110.9
Goodwill	46.0
Cash inflow from acquisition	253.7

1 Exchange rate on the date of acquisition: 1 Euro corresponds to 0.94 Swiss francs.
2 Fair value of the identified client relationships

The individual factors that make up the recognised goodwill are composed principally of the employees taken over, the existing expertise, the strengthening of Austria as LLB's third strong domestic market and the growth associated with this, as well as the synergy effects. Significant synergy effects are expected from the merging of the business activities of LLB Österreich and ZKB Österreich.

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

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

Scope of consolidation

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

On 9 January 2025, LLB acquired 100 per cent of the shares of ZKB Österreich (see note [Company acquisitions](#)). On 18 January 2025, the company changed its name to LLB Bank AG. Subsequently, LLB Bank AG merged with LLB (Österreich) AG on 2 August 2025. As the acquiring company, LLB (Österreich) AG remains in existence.

LLB acquired 50 per cent of the shares of LPBI AG with registered office in Vaduz and attained joint management with entry in the commercial register on 2 September 2025. The company was renamed Liechtensteinisches Pfandbriefinstitut AG on 19 December 2025.

The joint venture Data Info Services AG in liquidation was liquidated. There were no significant effects. The entity was deleted from the commercial register on 20 November 2025.

Risk management

Principles of risk management

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

Organisation and responsibilities

Group Board of Directors

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

Group Executive Board

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

Group Risk Management

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

Risk categories

The following chart shows which risks the LLB Group is exposed to:

Risk categories



Market risk

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

Liquidity and refinancing risk

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

Credit risk

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

Operational risk

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

Strategic risk

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

Sustainability risk

Sustainability risks arise from the environmental, social and responsible corporate governance areas. They can adversely affect the financial position and financial performance of the LLB Group as well as its reputation.

Reputation risk

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

Risk management process

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

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

Risk management process



Internal Capital Adequacy Assessment Process (ICAAP)

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

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

The normative internal perspective is supplemented by an economic internal perspective, within the scope of which all major risks are identified and quantified which, from an economic viewpoint, could

cause losses and substantially reduce the amount of internal capital. In conformity with the economic perspective, the LLB Group ensures all its risks are adequately covered by the availability of internal capital.

The adequacy of the Group's capital resources from the individual perspective has to be tested using internal methods. The quantified risks are compared with the funds available for risk coverage. It is then determined to what extent the LLB Group is in a position to bear potential losses.

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

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

1 Market risks

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

1.1 Market risk management

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

Trading book

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

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

Banking book

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

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

Interest rate fluctuation risk

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

Exchange rate risk

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

Equity price risk

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

1.2 Valuation of market risks

Sensitivity analysis

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

Scenario analysis

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

1.3 Management of market risks

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

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

Equity investments are limited by means of nominal limits.

1.4 Monitoring and reporting of market risks

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

1.5 Effects on Group net profit

Interest rate fluctuation risk

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

Exchange rate risk

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

Equity price risk

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

1.6 Sensitivity analysis

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

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

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

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

Sensitivity of existing market risks

in CHF thousands	31.12.2025	31.12.2024
	Sensitivity	Sensitivity
Interest rate risk	78'876	106'038
of which affecting net income	296	59
of which not affecting net income	78'580	105'979
Exchange rate risk	44'461	37'703
of which affecting net income	772	2'192
of which not affecting net income ¹	43'690	35'512
Equity price risk	27'246	24'465
of which affecting net income	31	14
of which not affecting net income	27'215	24'452

¹ The previous year was restated. Information can be found in [point 1.2 in the Accounting principles](#).

Foreign exchange risk arises from the following currencies:

in CHF thousands	31.12.2025	31.12.2024
	Sensitivity	Sensitivity
Exchange rate risk	44'461	37'703
of which USD	815	1'153
of which EUR ¹	43'690	35'512
of which others	- 44	1'039

¹ The previous year was restated. Information can be found in [point 1.2 in the Accounting principles](#).

1.7 Exchange rate risks

in CHF thousands	USD	EUR	Others	Total
31.12.2024				
Assets				
Cash and balances with central banks	924	1'705'998	192	1'707'114
Due from banks	56'901	202'057	88'545	347'504
Loans	203'619	717'174	58'349	979'141
Financial investments	963'500	1'030'706	0	1'994'206
Other assets ¹	36'843	185'658	15'803	238'304
Total assets reported in the balance sheet	1'261'786	3'841'594	162'890	5'266'270
Delivery claims from forex spot, forex futures and forex options transactions	8'222'742	7'848'685	2'119'678	18'191'104
Total assets	9'484'528	11'690'279	2'282'567	23'457'374
Liabilities and equity				
Due to banks	26'542	39'945	12'685	79'172
Due to customers	2'556'899	5'595'934	826'058	8'978'891
Debt issued	0	2'702	0	2'702
Current tax liabilities	0	5'686	0	5'686
Other liabilities	42'906	58'190	27'152	128'248
Liabilities and equity reported in the balance sheet	2'626'346	5'702'457	865'895	9'194'699
Delivery liabilities from forex spot, forex futures and forex options transactions	6'846'654	5'632'705	1'406'283	13'885'641
Total liabilities and equity	9'473'000	11'335'163	2'272'178	23'080'340
Net position per currency	11'528	355'116	10'389	377'034
31.12.2025				
Assets				
Cash and balances with central banks	305	2'110'859	327	2'111'491
Due from banks	50'545	82'029	73'988	206'562
Loans	177'421	1'021'821	20'987	1'220'229
Financial investments	591'724	1'071'750	0	1'663'474
Other assets	35'561	217'488	43'297	296'346
Total assets reported in the balance sheet	855'556	4'503'946	138'599	5'498'101
Delivery claims from forex spot, forex futures and forex options transactions	8'167'367	8'114'756	2'077'643	18'359'766
Total assets	9'022'923	12'618'701	2'216'243	23'857'867
Liabilities and equity				
Due to banks	17'767	85'691	5'601	109'059
Due to customers	2'385'413	5'926'060	754'951	9'066'424
Debt issued	0	1'648	0	1'648
Current tax liabilities	0	745	0	745
Other liabilities	55'676	84'757	43'207	183'641
Liabilities and equity reported in the balance sheet	2'458'856	6'098'901	803'760	9'361'516
Delivery liabilities from forex spot, forex futures and forex options transactions	6'555'915	6'082'906	1'412'919	14'051'739
Total liabilities and equity	9'014'771	12'181'806	2'216'678	23'413'255
Net position per currency	8'153	436'895	- 436	444'612

1 The Euro exposure was restated. Information can be found in [point 1.2 in the Accounting principles](#).

1.8 Interest rate repricing balance sheet

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

Interest commitments of financial assets and liabilities (nominal)

in CHF thousands	Within 1 month	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
31.12.2024						
Financial assets						
Cash and balances with central banks	5'870'477	0	0	0	0	5'870'477
Due from banks	1'077'777	0	0	0	0	1'077'777
Loans	5'440'264	1'674'799	1'445'004	6'017'952	1'913'901	16'491'920
Financial investments	56'411	203'375	457'736	1'857'089	194'629	2'769'240
Total financial assets	12'444'930	1'878'174	1'902'740	7'875'041	2'108'530	26'209'414
Derivative financial instruments	1'157'278	41	189'660	70'463	633'038	2'050'480
Total	13'602'208	1'878'215	2'092'400	7'945'503	2'741'568	28'259'893
Financial liabilities						
Due to banks	761'109	100'861	240'000	0	0	1'101'971
Due to customers	12'149'386	2'782'260	1'906'832	3'084'745	525'802	20'449'025
Debt issued	14'151	29'943	130'122	1'282'698	1'559'821	3'016'734
Total financial liabilities	12'924'645	2'913'064	2'276'954	4'367'444	2'085'622	24'567'729
Derivative financial instruments	904'560	95'022	40'012	849'457	160'000	2'049'051
Total	13'829'205	3'008'086	2'316'966	5'216'901	2'245'622	26'616'781
Interest rate repricing exposure	- 226'998	- 1'129'871	- 224'566	2'728'602	495'945	1'643'113
31.12.2025						
Financial assets						
Cash and balances with central banks	5'161'488	0	0	0	0	5'161'488
Due from banks	2'020'010	0	0	0	0	2'020'010
Loans	5'559'944	1'883'746	2'094'568	5'772'553	1'707'156	17'017'966
Financial investments	51'276	97'224	438'412	1'572'815	124'697	2'284'423
Total financial assets	12'792'718	1'980'970	2'532'980	7'345'367	1'831'853	26'483'888
Derivative financial instruments	1'018'658	17'267	40'184	175'290	753'000	2'004'399
Total	13'811'376	1'998'237	2'573'164	7'520'657	2'584'853	28'488'287
Financial liabilities						
Due to banks	653'689	10'000	59'000	0	0	722'689
Due to customers	12'310'366	2'917'066	1'775'012	3'207'522	572'236	20'782'203
Debt issued	25'991	14'410	412'440	1'542'163	1'610'530	3'605'534
Total financial liabilities	12'990'046	2'941'476	2'246'452	4'749'685	2'182'766	25'110'425
Derivative financial instruments	995'165	19'999	280'023	649'337	60'000	2'004'524
Total	13'985'211	2'961'475	2'526'475	5'399'021	2'242'766	27'114'949
Interest rate repricing exposure	- 173'835	- 963'238	46'689	2'121'636	342'087	1'373'338

2 Liquidity and refinancing risk

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

2.1 Internal Liquidity Adequacy Assessment Process (ILAAP)

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

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

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

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

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

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

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

2.2 Valuation of liquidity risks

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

2.3 Contingency planning

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

2.4 Monitoring and reporting of liquidity risks

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

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

Maturity structure of derivative financial instruments

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

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

in CHF thousands 31.12.2025	Term to maturity within 3 months		Term to maturity 4 to 12 months		Term to maturity 1 to 5 years		Term to maturity after 5 years		Total	
	PRV ¹	NRV ¹	PRV	NRV	PRV	NRV	PRV	NRV	PRV	NRV
Derivative financial instruments in the trading portfolio										
Interest rate contracts										
Swaps	0	0	0	0	0	0	0	0	0	0
Foreign exchange contracts										
Forward contracts	9'375	9'250	5'648	5'247	2'368	2'039	806	806	18'198	17'342
Combined interest rate / currency swaps	62'551	62'218	14'668	13'543	558	290	0	0	77'777	76'050
Options (OTC)	511	511	511	511	0	0	0	0	1'023	1'023
Precious metals contracts										
Options (OTC)	167	167	1'632	1'632	2'249	2'249	0	0	4'048	4'048
Total derivative financial instruments in the trading portfolio	72'605	72'146	22'460	20'933	5'176	4'579	806	806	101'046	98'463
Derivative financial instruments for hedging purposes										
Interest rate contracts										
Swaps (fair value hedge)	11	26	184	2'077	16'588	3'477	31'043	4'648	47'826	10'227
Total derivative financial instruments for hedging purposes	11	26	184	2'077	16'588	3'477	31'043	4'648	47'826	10'227
Total derivative financial instruments	72'615	72'172	22'643	23'009	21'764	8'056	31'849	5'454	148'872	108'691

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

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

in CHF thousands	Demand deposits	Callable	Due within 3 months	Due between 3 months to 12 months	Due between 12 months to 5 years	Due after 5 years	Total
31.12.2024							
Financial assets							
Cash and balances with central banks	5'876'518	0	0	0	0	0	5'876'518
Due from banks	651'392	0	600'173	0	0	0	1'251'565
Loans	423'249	51'894	5'727'248	1'898'698	6'927'633	1'992'714	17'021'436
Financial investments	0	0	271'760	484'367	1'959'991	200'348	2'916'466
Accrued income and prepaid expenses ¹	0	0	42'930	0	0	0	42'930
Total financial assets	6'951'159	51'894	6'642'111	2'383'065	8'887'625	2'193'061	27'108'915
Financial liabilities							
Due to banks	721'125	0	141'783	242'353	0	0	1'105'261
Due to customers	9'521'432	7'160'823	2'342'163	1'360'861	288'477	14'515	20'688'272
Lease liabilities	0	0	1'019	4'365	15'791	5'876	27'051
Debt issued	0	0	49'910	151'466	1'379'514	1'638'188	3'219'078
Accrued expenses and deferred income ¹	0	0	25'056	0	0	0	25'056
Total financial liabilities	10'242'557	7'160'823	2'559'932	1'759'045	1'683'782	1'658'579	25'064'718
Net liquidity exposure	- 3'291'398	- 7'108'929	4'082'179	624'020	7'203'842	534'482	2'044'196
Off-balance-sheet transactions							
Contingent liabilities	60'008	0	0	0	0	0	60'008
Irrevocable commitments	810'214	0	0	0	0	0	810'214
Deposit and call liabilities	14'039	0	0	0	0	0	14'039
31.12.2025							
Financial assets							
Cash and balances with central banks	5'164'967	0	0	0	0	0	5'164'967
Due from banks	586'604	0	1'749'961	0	0	0	2'336'564
Loans	624'015	31'005	5'409'673	2'566'880	7'086'647	1'801'456	17'519'676
Financial investments	0	0	160'932	462'984	1'654'468	129'541	2'407'925
Accrued income and prepaid expenses	0	0	59'207	0	0	0	59'207
Total financial assets	6'375'586	31'005	7'379'773	3'029'864	8'741'115	1'930'997	27'488'339
Financial liabilities							
Due to banks	641'097	0	22'658	59'091	0	0	722'846
Due to customers	10'368'219	7'525'587	1'836'474	1'182'216	204'636	18'170	21'135'302
Lease liabilities	0	0	1'267	4'912	18'723	12'300	37'203
Debt issued	0	0	46'458	440'383	1'662'175	1'685'105	3'834'122
Accrued expenses and deferred income	0	0	50'406	0	0	0	50'406
Total financial liabilities	11'009'317	7'525'587	1'957'263	1'686'603	1'885'534	1'715'575	25'779'879
Net liquidity exposure	- 4'633'731	- 7'494'582	5'422'510	1'343'261	6'855'581	215'422	1'708'460
Off-balance-sheet transactions							
Contingent liabilities	933'900	0	0	0	0	0	933'900
Irrevocable commitments	56'609	0	0	0	0	0	56'609
Deposit and call liabilities	863'862	0	0	0	0	0	863'862
	13'428	0	0	0	0	0	13'428

1 The period "Due within 3 months" was restated. Information can be found in [point 1.2 in the Accounting principles](#).

3 Credit risk

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

3.1 Credit risk management

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

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

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

3.2 Evaluation of credit risks

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

Probability of default

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

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

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

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

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

Loss given default

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

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

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

3.3 Controlling credit risk

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

Risk restriction

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

Risk mitigation

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

Derivatives

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

3.4 Monitoring and reporting of credit risks

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

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

3.5 Risk provisioning

Overdue claims

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

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

Default-endangered claims

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

Impairments

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

3.6 Country risks

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

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

3.7 Risk concentration

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

Maximal credit risk by region without considering collateral

in CHF thousands	Liechten- stein / Switzerland	Europe excluding FL / CH	North America	Asia	Others ¹	Total
31.12.2024						
Credit risks from balance sheet transactions						
Due from banks	935'968	205'028	7'763	24'183	4'779	1'177'721
Loans						
Mortgage loans	14'537'736	232'042	601	14'253	7'751	14'792'383
Loans to public institutions	106'568	6	0	0	0	106'574
Miscellaneous loans	863'129	457'787	0	180'587	92'684	1'594'187
Derivative financial instruments	267'104	197'101	0	1'955	476	466'637
Financial investments						
Debt instruments	457'621	1'508'852	597'776	96'136	97'654	2'758'038
Total	17'168'126	2'600'815	606'141	317'114	203'344	20'895'540
Credit risks from off-balance sheet transactions						
Contingent liabilities	52'887	6'078	0	748	295	60'008
Irrevocable commitments	583'602	180'931	0	10'033	35'648	810'214
Deposit and call liabilities	14'039	0	0	0	0	14'039
Total	650'529	187'009	0	10'781	35'943	884'261
31.12.2025						
Credit risks from balance sheet transactions						
Due from banks	2'069'590	106'949	29'988	18'675	4'886	2'230'088
Loans						
Mortgage loans	14'632'940	252'123	600	13'209	10'095	14'908'968
Loans to public institutions	88'246	10'278	0	0	0	98'524
Miscellaneous loans	1'103'741	684'152	0	140'407	80'783	2'009'083
Derivative financial instruments	82'803	62'039	0	3'939	91	148'872
Financial investments						
Debt instruments	404'597	1'330'563	417'414	61'481	87'707	2'301'763
Total	18'381'918	2'446'105	448'002	237'712	183'561	21'697'298
Credit risks from off-balance sheet transactions						
Contingent liabilities	50'434	5'295	0	687	194	56'609
Irrevocable commitments	615'972	228'547	0	1'903	17'441	863'862
Deposit and call liabilities	13'428	0	0	0	0	13'428
Total	679'834	233'842	0	2'590	17'634	933'900

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

Maximal credit risk by sector without considering collateral

in CHF thousands	Financial services	Real estate	Private households	Others ¹	Total
31.12.2024					
Credit risks from balance sheet transactions					
Due from banks	1'177'721	0	0	0	1'177'721
Loans					
Mortgage loans	464'476	5'288'765	8'071'887	967'254	14'792'383
Loans to public institutions	0	0	0	106'574	106'574
Miscellaneous loans	425'526	82'495	566'448	519'718	1'594'187
Derivative financial instruments	439'371	1'639	9'454	16'173	466'637
Financial investments					
Debt instruments	1'849'690	0	0	908'348	2'758'038
Total	4'356'784	5'372'898	8'647'789	2'518'069	20'895'540
Credit risks from off-balance sheet transactions					
Contingent liabilities	5'888	6'642	13'526	33'953	60'008
Irrevocable commitments	200'203	180'689	192'571	236'750	810'214
Deposit and call liabilities	14'039	0	0	0	14'039
Total	220'130	187'331	206'097	270'703	884'261
31.12.2025					
Credit risks from balance sheet transactions					
Due from banks	2'229'887	0	200	0	2'230'088
Loans					
Mortgage loans	489'683	5'314'481	8'112'266	992'538	14'908'968
Loans to public institutions	0	0	0	98'524	98'524
Miscellaneous loans	496'981	241'310	660'242	610'551	2'009'083
Derivative financial instruments	145'888	35	1'442	1'506	148'872
Financial investments					
Debt instruments	1'728'995	10'144	4'138	558'486	2'301'763
Total	5'091'434	5'565'970	8'778'288	2'261'606	21'697'298
Credit risks from off-balance sheet transactions					
Contingent liabilities	5'851	8'517	12'407	29'834	56'609
Irrevocable commitments	235'122	172'929	213'541	242'270	863'862
Deposit and call liabilities	13'428	0	0	0	13'428
Total	254'402	181'446	225'948	272'105	933'900

¹ CHF 80.7 million (previous year: CHF 97.9 million) of loans to public institutions relate to the energy supply sector and CHF 12.1 million (previous year: CHF 2.0 million) to the other services sector. Federal and central governments comprise CHF 124.0 million (previous year: CHF 332.0 million) of debt instruments. With contingent liabilities, CHF 2.2 million (previous year: CHF 11.2 million) was attributable to the sector trade and CHF 8.7 million (previous year: CHF 5.9 million) to the manufacture of goods sector. With all other line items under the position "Others", no individual sector exceeds 10 per cent of the total volume.

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

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

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

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

31.12.2025						
Due from banks	12	2'230'088	0	0	0	2'230'088
Loans	13	4'570'240	11'961'169	362'413	119'991	17'013'813
Financial investments						
Debt instruments	15	2'274'501	0	0	0	2'274'501
Credit risks from balance sheet transactions		9'074'829	11'961'169	362'413	119'991	21'518'402
Financial guarantees						
		567'485	358'434	7'950	31	933'900
Credit risks from off-balance sheet transactions		567'485	358'434	7'950	31	933'900

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2024				
Due from banks				
Investment grade	1'177'721	0	0	1'177'721
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total gross carrying amount	1'177'721	0	0	1'177'721
Total value allowances	0	0	0	0
Total net carrying amount	1'177'721	0	0	1'177'721
31.12.2025				
Due from banks				
Investment grade	2'230'088	0	0	2'230'088
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total gross carrying amount	2'230'088	0	0	2'230'088
Total value allowances	0	0	0	0
Total net carrying amount	2'230'088	0	0	2'230'088

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2024				
Loans				
Investment grade	2'906'272	117'060	0	3'023'332
Standard monitoring	13'081'459	83'284	0	13'164'742
Special monitoring	141'269	23'475	0	164'744
Sub-standard	0	0	197'098	197'098
Total gross carrying amount	16'129'000	223'819	197'098	16'549'917
Total value allowances	- 3'979	- 279	- 56'773	- 61'031
Total net carrying amount	16'125'020	223'540	140'325	16'488'886

31.12.2025				
Loans				
Investment grade	4'531'937	38'987	0	4'570'924
Standard monitoring	11'769'229	193'936	0	11'963'165
Special monitoring	347'039	15'456	0	362'495
Sub-standard	0	0	176'758	176'758
Total gross carrying amount	16'648'205	248'379	176'758	17'073'342
Total value allowances	- 2'170	- 592	- 56'767	- 59'529
Total net carrying amount	16'646'036	247'787	119'991	17'013'813

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2024				
Debt instruments ¹				
Investment grade	2'728'402	0	0	2'728'402
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total (gross) carrying amount ²	2'728'402	0	0	2'728'402
Total value allowances ²	- 266	0	0	- 266

31.12.2025				
Debt instruments ¹				
Investment grade	2'274'501	0	0	2'274'501
Standard monitoring	0	0	0	0
Special monitoring	0	0	0	0
Sub-standard	0	0	0	0
Total (gross) carrying amount ³	2'274'501	0	0	2'274'501
Total value allowances ³	- 266	0	0	- 266

- The valuation basis is not relevant in relation to the default risk. For this reason debt instruments, which are measured at amortised cost and also at fair value through other comprehensive income, are disclosed together in this table.
- The gross carrying amount of debt instruments, which are measured at amortised cost, amounted to CHF thousands 1'324'378, the related value allowance minus CHF thousands 162, the net carrying amount CHF thousands 1'324'216.
- The gross carrying amount of debt instruments, which are measured at amortised cost, amounted to CHF thousands 1'241'937, the related value allowance minus CHF thousands 151, the net carrying amount CHF thousands 1'241'785.

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
31.12.2024				
Financial guarantees				
Investment grade	396'643	0	0	396'643
Standard monitoring	484'773	2'440	0	487'212
Special monitoring	181	120	0	301
Sub-standard	0	0	106	106
Total credit risk	881'596	2'560	106	884'261
Total provisions	- 2'538	- 87	- 106	- 2'731
31.12.2025				
Financial guarantees				
Investment grade	567'485	0	0	567'485
Standard monitoring	356'904	1'530	0	358'434
Special monitoring	7'950	0	0	7'950
Sub-standard	0	0	31	31
Total credit risk	932'339	1'530	31	933'900
Total provisions	- 1'254	- 4	- 31	- 1'289

3.9 Expected credit loss and value allowances

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

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

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
Loans				
Valuation allowance as at 1 January 2025	- 3'979	- 279	- 56'773	- 61'031
Transfers				
from Stage 1 to Stage 2	487	- 487	0	0
from Stage 2 to Stage 1	- 89	89	0	0
from Stage 2 to Stage 3	0	2	- 2	0
from Stage 3 to Stage 2	0	0	0	0
Net revaluation effect	305	8	3'772	4'085
Additions from changes to scope of consolidation	0	0	0	0
Addition on account of new loans to customers / interest / loan extension	- 999	- 13	- 3'764	- 4'776
Disposals due to redemption of loans / waiving of claims / maturity effect	2'103	87	0	2'190
Currency effects	3	0	0	3
Valuation allowance as at 31 December 2025	- 2'170	- 592	- 56'767	- 59'529

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

in CHF thousands	Stage 1	Stage 2	Stage 3	Total
	Expected 12-months credit loss	Credit losses expected over the period without impairment of creditworthiness	Credit losses expected over the period with impairment of creditworthiness	
Financial guarantees				
Provision as at 1 January 2025	- 2'538	- 87	- 106	- 2'731
Transfers				
from Stage 1 to Stage 2	1	- 1	0	0
from Stage 2 to Stage 1	- 41	41	0	0
from Stage 2 to Stage 3	0	0	0	0
from Stage 3 to Stage 2	0	0	0	0
Net revaluation effect	321	- 4	0	317
Additions from changes to scope of consolidation	0	0	0	0
Addition due to granting of new financial guarantees and limit utilisation	- 224	0	0	- 224
Disposal due to withdrawal of financial guarantees and limit utilisation	1'212	45	75	1'332
Currency effects	17	0	0	17
Provision as at 31 December 2025	- 1'254	- 4	- 31	- 1'289

3.10 Collateral and positions with impaired credit rating

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

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

Types of cover for loans

in CHF thousands	31.12.2025	31.12.2024	+/- %
Secured by mortgage	15'049'575	14'895'088	1.0
Other collateral	1'253'502	1'027'562	22.0
Unsecured	710'736	566'236	25.5
Total	17'013'813	16'488'886	3.2

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

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

in CHF thousands	Gross carrying amount	Impaired credit-worthiness	Net carrying amount	Fair value of collateral held
Financial assets of stage 3 on reporting date 31.12.2024				
Loans	197'098	- 56'773	140'325	140'325
Financial assets of stage 3 on reporting date 31.12.2025				
Loans	176'758	- 56'767	119'991	119'991

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

Taken-over collateral

in CHF thousands	2025	2024
Real estate / Properties		
As at 1 January	1'710	2'620
Additions / (Disposals) ¹	630	- 910
(Value allowances) / Revaluations	0	0
As at 31 December	2'340	1'710

¹ Two properties were acquired (previous year: different properties) and no properties were disposed of (previous year: 3 properties).

Taken-over collateral is disposed of again as soon as possible. It is reported under [other assets](#) in the position "Non-current assets held for sale".

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

Written-off financial assets in year under report, subject to an enforcement measure	Contractually outstanding amount	
in CHF thousands	31.12.2025	31.12.2024
Loans	0	1'230

Types of cover for due from banks

in CHF thousands	31.12.2025	31.12.2024	+/- %
Other collateral	1'750'000	600'094	191.6
Unsecured	480'088	577'627	- 16.9
Total	2'230'088	1'177'721	89.4

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

4 Operational risk

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

5 Strategic risk

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

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

6 Sustainability risks

Sustainability risks arise from the environmental, social and responsible corporate governance areas. They can have a negative impact on borrowers' ability to fulfil their financial obligations, as well as on the value of collateral for loans and securities. Accordingly, the LLB Group does not regard sustainability risks as a separate risk category, but rather as the danger of additional losses stemming from the risk categories concerned. To strengthen the LLB Group's resilience in relation to ESG risks, Group Risk Management ensures that ESG risks are systematically identified, assessed, managed and monitored. At the same time, Group Risk Management monitors compliance with all the relevant regulatory requirements.

7 Reputational risk

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

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

8 Regulatory disclosures

Regulatory measures

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

in CHF millions	31.12.2025	31.12.2024
Total equity ¹	2'357	2'215
in per cent		
Tier 1 ratio	31.12.2025	31.12.2024
Regulatory minimum requirement	13.7	13.7
LLB Group strategic target	16.0	16.0
As per reporting date ¹	19.0	18.7
Leverage Ratio (LR)		
Regulatory minimum requirement	3.0	3.0
As per reporting date	6.7	6.5
Liquidity Coverage Ratio (LCR)		
Regulatory minimum requirement	100.0	100.0
As per reporting date	149.9	157.7
Net Stable Funding Ratio (NSFR)		
Regulatory minimum requirement	100.0	100.0
As per reporting date ¹	156.5	157.6

¹ The previous year was restated. Information can be found in [point 1.2 in the Accounting principles](#).

Assets under management

in CHF millions	31.12.2025	31.12.2024	+/- %
Assets in own-managed funds	10'332	8'215	25.8
Assets with discretionary mandates	11'501	9'954	15.5
Other assets under management	87'028	78'814	10.4
Total assets under management	108'861	96'983	12.2
of which double counting	7'945	6'295	26.2

in CHF millions	2025	2024
Total assets under management as at 1 January ¹	96'983	86'927
Net new money	3'703	2'789
Market and currency effects ²	5'045	8'090
Other effects (incl. reclassifications)	3'129	- 823
Total assets under management as at 31 December ¹	108'861	96'983

- 1 Including double counting
2 Including interest and dividend income

Breakdown of assets under management

in per cent	31.12.2025	31.12.2024
By asset class		
Equities	25	24
Bonds	16	18
Investment funds	35	33
Liquidity	19	21
Precious metals / others	6	5
Total	100	100
By currency		
CHF	29	30
EUR	41	38
USD	24	26
Others	6	6
Total	100	100

Calculation method

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

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

Assets in own-managed funds

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

Assets with discretionary mandates

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

Other assets under management

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

Double counting

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

Net new money

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

Other effects

In the report year net CHF 0.1 billion of client assets under management were reclassified as custody assets (previous year: CHF 0.8 billion). This applies primarily to client groups with a potential business reference to Russia. As a result of the takeover of ZKB Österreich, client assets under management increased by a one-time amount of CHF 3.2 billion.