

Economic environment

A bank's development is closely tied to the economic environment, as its business activities are strongly influenced by the broader economic situation. Here is a look back at the underlying conditions in the 2025 financial year.

The greatest challenge for the global economy was the volatile US tariff policy and the uncertainty it created. Nevertheless, the global economy performed surprisingly well. None of the major economies slipped into recession. Overall, global economic performance was only slightly below the forecasts made at the beginning of the year.

US policy with significant consequences

Despite the highest US tariffs in several decades, the US economy is on track to grow by around 2 per cent. However, the sharp decline in the value of the dollar shows that the chaotic policy has not been without consequences. The drop is a clear sign of growing mistrust towards the United States. For Swiss franc investors, this has resulted in a significant reduction in the returns generated from dollar-denominated investments.

The Eurozone economy was able to withstand the impact of US tariffs thanks to strong domestic demand, but economic momentum remained weak after a strong first quarter. The same was true for the Swiss economy.

The growing uncertainty caused by the policies of the new US administration made it clear to Europe that it must be capable of ensuring its own security. This prompted plans to increase military spending. Germany went a step further: in the spring, the newly elected German government announced extensive investment aimed at revitalising and renewing the country's stagnating economy.

Divergent growth in Asia

China was still grappling with the aftermath of the burst real estate bubble. Domestic demand remained weak, yet the economy still achieved the government's growth target of 5 per cent. In contrast, India continued to experience consistently strong growth.

Inflation rates generally began to ease. However, in many countries they remained well above the central banks' target levels. Only in Switzerland, by contrast, it was not high inflation that troubled the National Bank, but rather inflation that was too low.

Easing of monetary policy – with one exception

Most central banks around the world eased their monetary policy. The Swiss National Bank cut interest rates twice, lowering the key rate to 0 per cent. In the Eurozone, the key rate fell by 100 basis points, and in the United States by 75 basis points. Among the industrialised nations, only the Bank of Japan defied the global trend and raised its key rate.

Bond returns varied depending on the market. The US market performed very well thanks to high interest rates, while bonds denominated in euros and Swiss francs brought little joy. In euros, a sharply rising German yield curve dampened returns, while in Swiss francs, bonds were less attractive due to the low interest rate environment.

Stock markets after tariff escalation and AI euphoria

Following two strong years for equities, market performance in 2025 was again very positive – despite how the situation looked in the spring: in April, the US president triggered a significant market correction by announcing steep tariffs. A subsequent de-escalation in trade policy led to a recovery.

In the second half of the year, markets brushed off the tariff concerns, and the theme of AI – artificial intelligence – gave share prices a substantial boost. For once, however, the US market was not the top performer. It lagged behind European markets and, in particular, emerging market equities.

Gold as the clear winner

Gold had an exceptionally good year. The precious metal benefited from global uncertainty, delivering a return of nearly 70 per cent – several times higher than that of equities.

The LLB share

Market capitalisation

The LLB share has been listed on the Swiss stock market, SIX Swiss Exchange, since 1993 and assigned to the "International Reporting Standard" segment (see chapter [Group structure and shareholders](#)). In 2025, around 2.4 million LLB shares (2024: 1.6 million) were traded, corresponding to 7.7 per cent (2024: 5.2 %) of total shares issued. On 31 December 2025, the market capitalisation of Liechtensteinische Landesbank AG stood at CHF 2.6 billion (31.12.2024: CHF 2.2 billion) with 30.8 million registered shares issued.

Shareholder structure

Liechtensteinische Landesbank (LLB) has a stable ownership structure. The Principality of Liechtenstein holds around 56 per cent of the share capital. In its participation strategy, last revised in 2024, the Principality declares its support for the stock exchange listing of LLB and for its entrepreneurial autonomy. This provides us with a long-term strategic orientation.

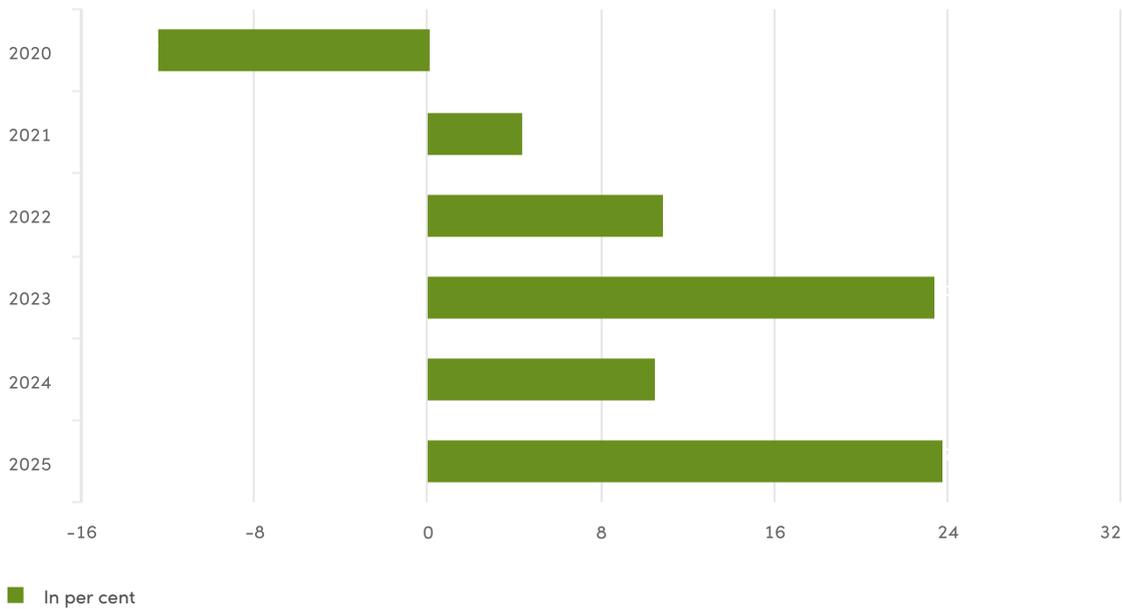
In addition to the majority shareholder, the Haselsteiner Familien-Privatstiftung and the grosso Holding GmbH, as well as institutional investors such as UBS Fund Management (Switzerland) AG, are among the largest shareholders. LLB itself holds around 1.4 per cent of its own shares. Further details regarding the shareholder structure and the share register can be found in the Corporate governance report (see chapter [Group structure and shareholders](#)).

Share price performance

Although US customs tariffs caused turbulence on the stock markets in the first half year, the subject of artificial intelligence (AI) generated a tail wind in the second half year. In a development not seen often in recent years, the European markets outperformed the US market. Measured against the Swiss Performance Index (SPI), shares listed on the Swiss stock exchange rose by 17.8 per cent. The securities in the SPI Level 2 Banking Index, which depicts companies from the banking sector in particular, even exceeded this by climbing by 28.2 per cent.

The LLB share attained a very pleasing result in the report year. Following a gain of 10.5 per cent in 2024, it achieved a substantially higher plus of 23.7 per cent in 2025. The highest price for the year was CHF 90.10, and the lowest price for the year was CHF 71.20.

Total return on the LLB share



Analyses and recommendations in relation to the LLB share are published at regular intervals by Daniel Regli of the Züricher Kantonalbank.

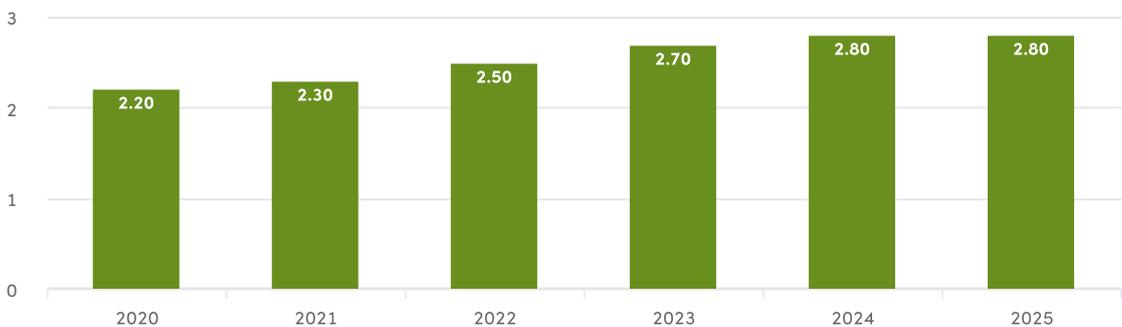
Dividend policy

The LLB Group pursues an attractive, long-term dividend policy for the benefit of its shareholders.

The highest priority here is upholding a balance between maintaining our financial stability and providing an attractive dividend. In line with our ACT-26 strategy, we intend to keep equity at a Tier 1 ratio of over 16 per cent. Our dividend policy envisages a payout ratio of more than 50 per cent. For the 2025 business year it amounts to 51.1 per cent (2024: 51.0 %). Accordingly, CHF 85.0 million (2024: CHF 85.2 Mio.) will be distributed to our shareholders.

Based on the share price at the end of 2025, this corresponds to a dividend yield of 3.3 per cent. This figure represents the ratio between the distributed dividend and the share price and is regarded as a key indicator of the profitability of an equity investment. With a yield of on average 4.0 per cent over the last ten years, our LLB share is regarded as an attractive security in market comparison. This underlines the LLB Group’s sound financial basis and our consistent focus on a sustainable dividend policy.

Dividend per share (2020–2025* in CHF)



* The Board of Directors will propose a stable dividend of CHF 2.80 for the year 2025 at the General Meeting on 17 April 2026.

Communication with the capital market

The annual and interim financial results are published in accordance with the legal requirements. At the General Meeting of Shareholders, we provide transparent information about the course of business. We nurture a continual dialogue with investors at regular events. All publicly accessible information about the LLB Group can be obtained from our website at llb.li. A calendar of our publications and presentations can be found in the Corporate governance report, chapter [Information policy](#).

LLB share

in CHF thousands	31.12.2025	31.12.2024
Total of registered shares issued (fully paid up)	30'800'000	30'800'000
Number of shares eligible for dividend	30'371'587	30'437'618
Free float (number of shares)	11'230'372	11'296'403
Free float (in per cent)	36.5	36.7
Year's high (11 August 2025 / 16 August 2024)	90.10	76.30
Year's low (10 January 2025 / 3 January 2024)	71.20	65.10
Year-end price	83.80	70.30
Total return LLB share (in per cent)	23.7	10.5
Performance SPI (in per cent)	17.8	6.2
Performance SPI Level 2 Banks Index (in per cent) ¹	28.2	5.9
Average trading volume (number of shares)	9'803	6'290
Market capitalization (in CHF billions)	2.58	2.17
Basic earnings per share attributable to the shareholders of LLB (in CHF)	5.47	5.47
Dividend per LLB share (in CHF)	2.80 ²	2.80
Payout ratio (in per cent)	51.1	51.0
Dividend yield at year-end price (in per cent) ³	3.3	4.0
Return on equity (in per cent) ³	7.3	7.7
Eligible capital per LLB share (in CHF) ⁴	63.4	60.3

1 2025 = SPI Level 2 Banks Index / 2024 = SWX Banks Index

2 Proposal of the Board of Directors to the General Meeting of Shareholders on 17 April 2026

3 Definition available under llb.li/investors-apm

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

Retail & Corporate Banking

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

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

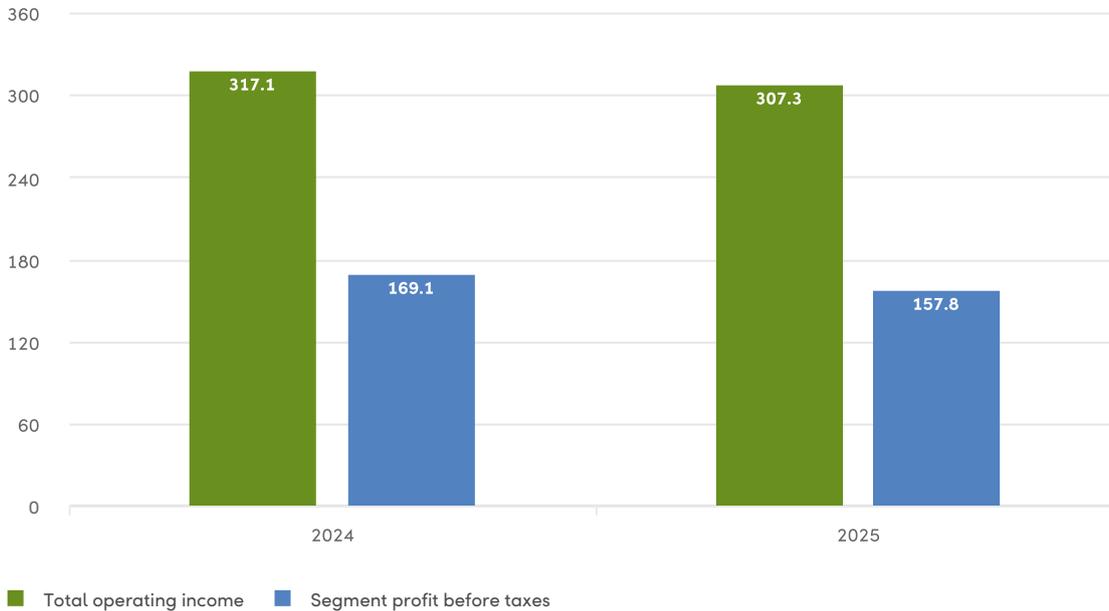
Business segment result

The segment profit before tax fell by 6.7 per cent to CHF 157.8 million. Net interest income, which comprises the largest proportion of earnings in the Retail and Corporate Banking Division, decreased by 9.7 per cent as a result of lower interest rates. Provisions for credit losses were reduced by net CHF 0.6 million (2024: CHF 9.3 million net release). Fee and commission income developed very successfully, rising by 13.7 per cent to CHF 106.5 million (2024: CHF 93.6 million). This growth was driven by higher volumes, intensified client trading activity and the improved market penetration of LLB Invest with investment advisory and asset management clients. In addition, trading income also benefitted from intensified client activity, rising by 28.8 per cent to CHF 24.8 million (2024: CHF 19.2 million). In total, operating income was down by 3.1 per cent to CHF 307.3 million. The gross margin declined to 80 basis points. Operating expenses climbed by 1.0 per cent, largely due to increased personnel costs. In comparison with the previous year, these were influenced by the one-time alleviating effect of lower pension costs in the previous year.

The segment registered a positive net new money inflow of CHF 1'133 million. The substantial inflows achieved by the private banking units in Germany, Liechtenstein and Switzerland made a particular contribution to this result. Following the specific measures to improve the rentability of the lending book in the first half year of 2025, the focus shifted to attaining sustainable growth in lending business during the second half year. In total, loans to clients rose by CHF 303 million or 2.0 per cent.

The business volume expanded by 6.8 per cent to CHF 40.1 billion (31.12.2024: CHF 37.5 billion).

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



Segment reporting

in CHF thousands	2025	2024	+/- %
Net interest income	173'230	191'901	- 9.7
Expected credit losses	606	9'258	- 93.5
Net interest income after expected credit losses	173'836	201'159	- 13.6
Net fee and commission income	106'454	93'619	13.7
Net trading income	24'762	19'219	28.8
Other income	2'219	3'108	- 28.6
Total operating income	307'271	317'106	- 3.1
Personnel expenses	- 59'516	- 56'501	5.3
General and administrative expenses	- 6'346	- 6'342	0.1
Depreciation	- 63	- 63	1.3
Services (from) / to segments	- 83'575	- 85'134	- 1.8
Total operating expenses	- 149'501	- 148'040	1.0
Segment profit before tax	157'770	169'066	- 6.7

Performance figures

	2025	2024
Gross margin (in basis points) ¹	79.6	85.7
Cost Income Ratio (in per cent) ¹	48.8	48.1
Net new money (in CHF millions) ¹	1'133	984
Growth of net new money (in per cent) ¹	5.1	4.7

¹ Definition available under llb.li/investors-apm

Additional information

	31.12.2025	31.12.2024	+/- %
Business volume (in CHF millions) ¹	40'092	37'534	6.8
Assets under management (in CHF millions) ¹	24'258	22'004	10.2
Loans (in CHF millions)	15'833	15'530	2.0
Employees (full-time equivalents, in positions)	289	321	- 10.0

¹ Definition available under llb.li/investors-apm

Growth with regional proximity: A conversation with the new Head of Division

As a bank with strong roots in the region, the Retail & Corporate Banking Division aims to further expand its position – in Liechtenstein, Switzerland, and Germany. In this interview, Michael Hartmann, the new Head of the Division, explains which major themes shaped 2025 and where the focus lies in 2026.

Mr Hartmann, you are new in the role of Head of the Retail & Corporate Banking Division. How have you settled in?

Very well. In the first few weeks, I made a point of having many conversations – with the teams, the location managers, and also directly with clients. It was important to me to understand how the bank operates and what makes the regional markets distinctive. I was particularly struck by LLB's strong roots among the local population and the strong sense of identification with the region. All of this confirmed to me that we have a solid foundation to build on.

How would you assess the performance of the retail and corporate banking business in 2025?

2025 was a year of important milestones for us. I would highlight three key points in particular. First, we further strengthened our presence in Germany, successfully establishing ourselves in the German market. The foundation we built over the past two years is in place, and we can build on it to continue growing. Second, we are sharpening the positioning of LLB Schweiz and leveraging our strengths in sales across all client segments. The opening of our locations in Zurich and St. Gallen is benefiting private banking and corporate clients in particular. A major strength is the quality of our advisory and client support. Third, we are currently working on our corporate client strategy so that we can pursue market opportunities in an even more structured way. Our ambition remains clear: we want to be the leading universal bank in north-eastern Switzerland, with an offering that combines breadth and quality.



“We have something that cannot easily be replicated: our proximity.”

Michael Hartmann, Head of Retail & Corporate Banking

What particular challenges or opportunities were there?

The interest rate environment has been and remains challenging – not only from the perspective of our clients, but also for us as a bank. We are constantly balancing capital requirements against profitable growth. The key is to identify the right opportunities for quality in the market. For example, many companies are currently restructuring their banking relationships. For us, that is an opportunity to grow through quality. Another important point is the gradual integration of data and technology

into our sales processes. Our aim is to support our clients with the right solution at the right time and to enhance the client experience.

Numbers are not everything. How do things stand with client satisfaction and advisory quality?

I am very confident on that front, because we have something that cannot easily be replicated: our proximity. And I don't mean that only in a geographical sense. Personal accessibility, direct lines of communication, and reliable points of contact are more important than ever for many clients today. The more digital the world becomes, the more important personal accessibility and advisory services become. Our clients recognise and value this. Thanks to our strong roots in the region, we understand their needs very well – whether in direct client business, private banking, or among entrepreneurs. At the same time, we are not resting on our laurels. We are continually working to raise the quality of our advice.

What are your goals for the coming financial year?

We want to drive our Germany business forward and translate the foundation we have built there into further growth. In Switzerland, we aim to position ourselves even more strongly as a regional universal bank, with an offering that combines client proximity, expertise, and reliability. A key success factor will be close collaboration across all business areas and locations. Finally, we want to continue improving efficiency – not to cut costs, but to deploy resources where they create the greatest benefit: with our clients.

International Wealth Management

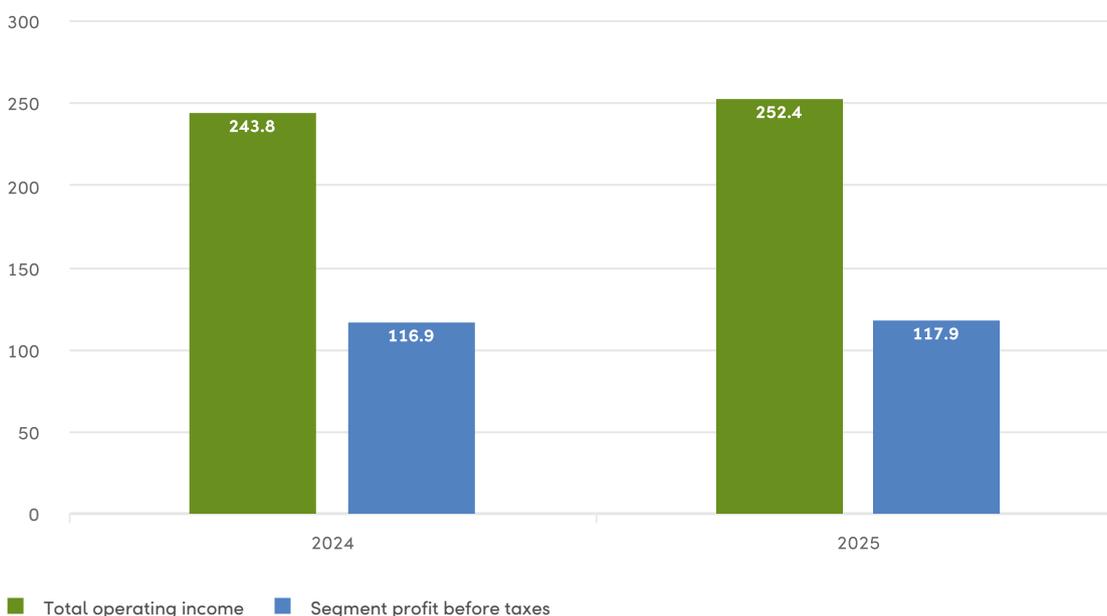
The International Wealth Management segment focuses on international private banking clients as well as institutional and investment fund clients. In the private banking business area the emphasis lies on the Austrian market and other markets in Central Europe and the Middle East. Investment advisory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

Business segment result

The segment result before taxes of the International Wealth Management Division amounted to CHF 117.9 million, 0.8 per cent higher than the previous year's figure. Operating income rose to CHF 252.4 million (2024: CHF 243.8 million). Substantial growth was achieved above all in fee and commission business. At CHF 166.9 million, income from this business was 22.4 per cent up year on year (2024: CHF 136.3 million). This development was largely attributable to the integration of the ZKB Österreich as well as higher volumes of client assets under management. Trading income also showed a pleasing development, benefitting from more intensive client trading activities. As a result, trading income rose by 14.5 per cent. In contrast, due to lower interest rates, interest income fell by 26.1 per cent to CHF 63.6 million (2024: CHF 86.0 million). In line with corporate strategy, operating income climbed to CHF 134.5 million (2024: CHF 126.9 million). The increase was principally attributable to the integration of ZKB Österreich.

With a net new money inflow of CHF 2'484 million (2024: CHF 1'303 million), the segment achieved very pleasing growth, clearly exceeding the previous year's level. Client assets under management expanded by 12.9 per cent to CHF 83.5 billion (31.12.2024: CHF 73.9 billion).

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



Segment reporting

in CHF thousands	2025	2024	+/- %
Net interest income	63'573	85'969	- 26.1
Expected credit losses	- 13	- 15	- 14.4
Net interest income after expected credit losses	63'560	85'953	- 26.1
Net fee and commission income	166'909	136'323	22.4
Net trading income	21'913	19'144	14.5
Other income	0	2'402	- 100.0
Total operating income	252'383	243'822	3.5
Personnel expenses	- 57'280	- 50'601	13.2
General and administrative expenses	- 7'129	- 6'654	7.1
Depreciation	- 605	- 363	66.6
Services (from) / to segments	- 69'501	- 69'323	0.3
Total operating expenses	- 134'515	- 126'941	6.0
Segment profit before tax	117'868	116'882	0.8

Performance figures

	2025	2024
Gross margin (in basis points) ¹	31.4	33.0
Cost Income Ratio (in per cent) ¹	53.3	52.1
Net new money (in CHF millions) ¹	2'484	1'303
Growth of net new money (in per cent) ¹	3.4	2.0

¹ Definition available under llb.li/investors-apm

Additional information

	31.12.2025	31.12.2024	+/- %
Business volume (in CHF millions) ¹	84'832	75'018	13.1
Assets under management (in CHF millions) ¹	83'462	73'915	12.9
Loans (in CHF millions)	1'370	1'103	24.2
Employees (full-time equivalents, in positions)	299	275	8.8

¹ Definition available under llb.li/investors-apm

Strengthening core markets, advancing digital development

2025 was a year of strategic decisions for the International Wealth Management Division. With the integration of ZKB Österreich, a sharper focus on core markets, and the continued development of digital solutions, the division further strengthened its position. In this interview, Natalie Flatz, Head of the Division, discusses how these steps are fostering stability and growth, which innovations are benefiting clients, and what the main goals are for 2026.

Ms Flatz, 2025 was an eventful and very successful year for the International Wealth Management Division. What were the defining themes for you?

A key milestone was the acquisition and integration of ZKB Österreich. Since then, we have been operating together under the umbrella of the LLB Group. This is a strategically important step for us in the Austrian market. The merger demonstrates our long-term commitment, creates a more integrated offering, and gives former ZKB Österreich clients access to new products, personal advisory services, and modern digital solutions. From 2026, they will also benefit from up-to-date e-banking and integrated portfolio analysis. Our goal is clear: we want to further strengthen our position as the leading wealth management bank in Austria.

The financial industry has been facing major challenges for several years now: regulatory pressure, a demanding environment, and increasing complexity. How is the International Wealth Management Division dealing with this?

Our division is highly diversified, both in terms of business areas and geography. This has both advantages and disadvantages. To address the disadvantages, we have made some strategic decisions. One example is our withdrawal from the Middle East. After 20 years of presence, we decided to close our offices in Dubai and Abu Dhabi. Going forward, we will serve our international clients from our locations in Liechtenstein, Switzerland, Austria, and Germany. International private banking remains a central pillar of our strategy.

You just mentioned that the division's strong diversification also offers advantages. What specifically do you have in mind?

For us, diversification also means stability. If one business area is underperforming, others contribute to overall success. This year, for example, LLB Fund Services performed particularly well. This allows us to spread risk more effectively while also seizing opportunities.

Financially, there is certainly reason to be satisfied with how the financial year has gone. But non-financial metrics, such as client satisfaction, are at least equally important. How do things stand in that regard?

Client satisfaction is extremely important to us – it is a key indicator of the quality of our work. We invest heavily in personal advisory services, digital solutions, and efficient processes. A recent client survey confirms that this approach is working and that we are achieving our goal of offering clients a first-class experience. Our clients value the combination of personal advisory services and digital tools that make their lives easier. And that is precisely the balance we are striving for.



“Client satisfaction is extremely important to us – it is a key indicator of the quality of our work.”

Natalie Flatz, Head of International Wealth Management

What innovations or product developments were implemented in 2025?

In 2025, we took a decisive step forward with our digital onboarding. It is now available not only as a self-service option (editor’s note: clients can, for example, open accounts and custody accounts themselves), but can also be used directly during advisory meetings. This offers our clients an even more convenient and personalised experience. This represents real added value, particularly in private banking. I am especially pleased that Austrian securities service providers can now also become LLB clients digitally. This is an important step towards further strengthening our position in Austria.

What are your goals for the 2026 financial year?

In 2026, we want to bring our strategy to a successful conclusion and channel the resources freed up through efficiency gains into targeted growth. We also want to further strengthen our position as an attractive employer. Every single employee counts and contributes to making us better every day. That is how we create lasting success.

Corporate Center

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

Business segment result

The LLB Group reports the structural contribution from interest business, the value of interest rate hedging instruments and income from financial investments under the Corporate Center. Operating income rose substantially year on year to CHF 52.0 million (2024: CHF 4.9 million). This development was largely attributable to the improvement of the structural contribution from interest business as well as higher earnings in trading business due to treasury measures.

Operating expenses amounted to CHF 126.3 million (2024: CHF 94.5 million), 33.6 per cent up on the previous year. The increase was mainly caused by the first time consideration of the former ZKB Österreich.

Segment reporting

in CHF thousands	2025	2024	+/- %
Net interest income	- 113'864	- 143'767	- 20.8
Expected credit losses	- 22	- 15	45.5
Net interest income after expected credit losses	- 113'885	- 143'782	- 20.8
Net fee and commission income	- 14'188	- 15'945	- 11.0
Net trading income	172'984	161'491	7.1
Net income from financial investments	8'261	6'231	32.6
Other income	- 1'186	- 3'136	- 62.2
Total operating income	51'986	4'860	969.7
Personnel expenses	- 139'349	- 127'612	9.2
General and administrative expenses	- 100'315	- 85'450	17.4
Depreciation	- 39'746	- 35'926	10.6
Services (from) / to segments	153'076	154'457	- 0.9
Total operating expenses	- 126'335	- 94'532	33.6
Segment profit before tax	- 74'349	- 89'672	- 17.1

Additional information

	31.12.2025	31.12.2024	+/- %
Employees (full-time equivalents, in positions)	705	690	2.2

Efficiency, stability, innovation: The LLB's digital agenda

With its ACT-26 strategy, the LLB Group is focused on operational excellence, digital innovation, and efficiency. The Corporate Center is a key driver in this effort. In this interview, Patrick Fürer, Chief Digital & Operating Officer, discusses the milestones achieved in 2025 and the priorities for the final year of the strategy period.

Mr Fürer, the Corporate Center plays a key role in implementing the ACT-26 strategy, particularly when it comes to improving the efficiency of core processes. What was achieved in this regard in 2025?

For us, efficiency is not an end in itself, but rather the foundation for stability and growth. In 2025, we made decisive progress. All of this is taking place within the framework of the LLB.ONE programme, and we are fully on track with its implementation. The progress at the Shared Service Center is particularly impressive: despite transaction volumes rising by around 10 per cent, we were once again able to improve the straight-through processing rate – that is, the share of transactions processed entirely automatically, without manual intervention. Error-free and stable!

We also made significant progress in lending, by further automating processes and considerably reducing processing times. We reached another milestone with the optimisation of the client life cycle, where we harmonised and digitalised workflows. These improvements not only drive internal efficiency but also enhance the quality of service for our clients.

The integration and harmonisation of group-wide processes was once again a major theme in 2025. How satisfied are you with the organisation's ability to deliver on such initiatives alongside day-to-day operations?

I am very proud of our organisation. We have shown that we can not only handle day-to-day business effectively but also manage complex projects at the same time. In addition to our steadily growing core business, which is becoming increasingly demanding, we successfully completed two major projects: the integration of ZKB Österreich and the further expansion of the group-wide Xentis funds platform. Both initiatives were completed on schedule and within budget.

What does LLB do particularly well in this regard?

What sets us apart is our ability to deliver, built on many years of experience with M&A projects – that is, mergers, acquisitions, and divestments – and system migrations. I am convinced that this is a genuine competitive advantage. It makes us a reliable partner for clients and investors alike – even during periods of intense change.



“We have shown that we can not only handle day-to-day business effectively but also manage complex projects at the same time.”

Patrick Fürer, Group CDO

Which achievements in 2025 are you particularly proud of?

Looking back, several things stand out. First, the exceptionally high level of operational stability. We had no outages whatsoever. In an increasingly complex environment, that is no small feat. Second, the continued improvement in our efficiency metrics, which show that we are not only keeping our processes stable, but also streamlining them on an ongoing basis. Beyond that, we also demonstrated our capacity for innovation: with willbe, we reached the milestone of one billion Swiss francs in client assets. Our own online and mobile platform is state of the art and offers clients a first-class digital experience.

Another milestone is the central system platform Novus, which is now even more scalable. It enables us not only to run day-to-day operations, but also to carry out complex migrations at the same time – as demonstrated by the integration of an entire bank, ZKB Österreich, into our Avaloq system.

What is at the top of your agenda for 2026 – the final year of the current strategy period?

In 2026, we aim to bring the ACT-26 strategy to a successful conclusion. We have set clear priorities to achieve this: at the very top is ensuring a high level of operational stability, as this forms the foundation for everything else. At the same time, we are expanding our digital offering to give clients even greater convenience and flexibility.

A further priority is the harmonisation and digitalisation of core processes. This not only increases efficiency, but also lays the groundwork for sustainable growth and a strong market position.

Finance and risk management

At the LLB Group, we operate in a challenging environment characterized by geopolitical upheaval, technological change and increasing regulatory requirements. Our aim is to be economically successful through capitalising on opportunities and carefully weighing up risks.

Stability and security

Stability is a key value for LLB. It is reflected in our solid equity base, conscious balance sheet policy and responsible approach to risk. As a bank of systemic importance, we are subject to particularly stringent financial market regulation and must meet high capital adequacy requirements. We significantly exceed these requirements. Our financial strength is also confirmed by our very good Aa2 rating from rating agency Moody's.

What is more, Liechtenstein is a secure and stable business location and financial centre – as confirmed again in 2025 by Moody's AAA rating. Clear and pragmatic regulation as well as a modern protection scheme add to its attractiveness as a location.

Our financial and risk management is geared towards the long term. Over the past few years, we targeted and developed it further under the ACT-26 strategy, making processes more efficient, strengthening prevention mechanisms and bundling central functions.

Financial management

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

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

The tasks of financial management include the preparation of the annual financial statements as well as meeting regulatory reporting requirements.

Risk management

Our risk management identifies, assesses and controls all material risks and, in so doing, ensures a strong financial base and long-term stability. It differentiates between financial and non-financial risks.

Financial risks

These include:

- ◆ **Credit risks:** independent credit decisions made by Group Credit Management and central bodies; differentiated assessment of affordability and collateral values;
- ◆ **Market and interest rate risks / asset liability management (ALM):** control and oversight by Group Treasury through selected methods and clear limits;
- ◆ **Liquidity risks:** ensuring the ability to meet financial obligations permanently through robust processes, in particular the annually conducted internal liquidity adequacy assessment process (ILAAP);
- ◆ **Capital risks:** ongoing assessment of capital adequacy to ensure risk-bearing capacity (internal capital adequacy assessment process, ICAAP) and stress tests.

Non-financial risks

Non-financial risks are operational risks, compliance risks and cyber risks. Within the LLB Group, we use a multi-stage control system with clear responsibilities to successfully address these risks. At the same time, we continue to develop our security mechanisms further.

- ◆ **Operational risks:** Information security, data protection, cyber security and the internal control system are managed by Group Business Risk Management.
- ◆ **Compliance risks:** All measures to combat money laundering and the financing of terrorism and proliferation (financing and distribution of weapons of mass destruction) as well as compliance with international sanctions are bundled in Group Financial Crime Compliance; tax compliance, regulatory compliance and, in particular, the handling of conflicts of interest are monitored by Group Legal & Regulatory.
- ◆ **Cyber risks:** Modern protection systems, the Cyber Defence Center and regular testing protect against risks such as malware, social engineering and data theft. We are guided by regulatory requirements such as the Digital Operational Resilience Act (DORA).

Our internal control system (ICS) and business continuity management (BCM) strengthen processes and safeguard stability and operational functionality during normal operations and in crisis situations. The implementation proceeds according to the principle of the three lines of defence with clear responsibilities:

- ◆ **First Line:** operating units
- ◆ **Second Line:** independent control and compliance functions such as Group Business Risk Management, Group Legal & Regulatory and Group Financial Crime Compliance
- ◆ **Third line:** internal audit

This structure ensures appropriate controls are in place to support effective management.