

Compensation report

The Group regulation “Compensation standards” sets down the framework for the group-wide compensation policy. It defines the basis, values, objectives and responsibilities and sets out the minimum requirements for the design of the compensation systems. The compensation report contains information about the elements and methods of determining compensation, as well as the compensation paid to the Board of Directors and the Group Executive Board.

Introduction

On 1 January 2014, the “Ordinance against Excessive Compensation with respect to Listed Stock Corporations” (OaEC) came into force in Switzerland. Pursuant to the ordinance, Swiss public companies whose shares are listed on an exchange in Switzerland or abroad must publish details about the compensation of the members of their governing bodies in a compensation report. The details to be reported are set out in Art. 13 to 16 of the OaEC.

The OaEC does not apply to foreign companies that are publicly listed in Switzerland. According to the Regulatory Board Communiqué No. 2 / 2014 of 1 September 2014, No. II, all companies listed on the SIX Swiss Exchange should have to disclose the same information on corporate governance. Issuers that are not subject to the regulations of the OaEC have to therefore publish details about the compensation of the members of the Board of Directors and the Board of Management in the same manner as Art. 14 to 16 of the OaEC. By publishing this compensation report, Liechtensteinische Landesbank AG is fulfilling this obligation.

The following report deals with the compensation policy, the basis and elements of the compensation, the responsibilities and methods of determining compensation. The compensation paid during the 2017 business year is also presented.

Compensation policy

On 18 August 2011, the Board of Directors issued the Group regulation “Compensation standards” for Liechtensteinische Landesbank AG and its Group companies (revised on 1 January 2017). The Group regulation is based on: the current version of the Ordinance on Banks and Investment Firms (Banking Ordinance) of 22 February 1994, in particular Appendix 4.4; EU Directive 2013/36/EU (CRD IV) of 26 June 2013; Regulation No. 575/2013 (CRR) of 26 June 2013; Delegated Regulation No. 527/2014 of 12 March 2014; and Delegated Regulation No. 604/2014 of 4 March 2014. These legal provisions are applied to the LLB Group in a way and to a degree that is commensurate with

its size and internal organisation as well as the type, scope and complexity of its business.

The Group regulation “Compensation standards” regulates the framework for the group-wide compensation policy, in particular in regard to its alignment to risk management. It stipulates the basis, values and objectives and sets out the minimum requirements for the design of the compensation systems. In addition, it regulates Group-internal and Group-external reporting as well as related responsibilities.

The Group regulation applies to the Group Board of Directors, the Group Executive Board, members of the Board of Directors, members of the Board of Management of the Group companies, senior managers exercising control functions, risk takers as well as to employees who receive total compensation comparable to that of at least the lowest total compensation that a member of the Board of Management has received, and whose decisions have a significant influence on the risk profile.

To implement the Group regulation “Compensation standards” at Liechtensteinische Landesbank AG, the Board of Directors has also issued the separate regulation “Compensation standards” (revised on 1 January 2017). As a company exempt from Art. 12, Para. 2 of the OaEC, Liechtensteinische Landesbank has not stipulated any regulations concerning compensation, participation and loans.

The Group companies issue company-specific compensation guidelines, which take into consideration the applicable (special) legal regulations. Deviations from the Group regulation are only permitted if they stem from prevailing law or special legal regulations.

The compensation for performance complies with the business strategy as well as with the goals and values of the LLB Group and is based on the following principles:

- **Sustainability and risk adjustment:**
Compensation practices must contribute to long-term corporate development. They must support risk management and the pursuit of both continuous increases in the company's value and long-term client and employee retention. Compensation policy has to offer incentives in a manner that allows for adequate risk behaviour by individual persons in order to counteract any conflicts of interest.
- **Foundation of trust:**
The design of the compensation regulations and processes is based on a mutual foundation of trust between employees and employers. This is necessary because there are time differences between the provision of the performance and the acceptance of responsibility on the one hand, and the payment of the compensation on the other. Furthermore, a performance appraisal has subjective elements. Accordingly, the voluntary nature of the payment of the variable component must be ensured and attention must be drawn to the scope of discretion in this respect.
- **Performance and success orientation:**
Compensation practices also have to reward both individual performance and company-related performance. The focus on the Group's success promotes, and is in line with, the LLB Group's long-term interests. Acknowledging individual performance serves performance motivation, the management of individual performance contributions towards achieving company goals as well as the retention of top performers.
- **Simplicity, clarity and comprehensibility:**
The compensation regulations and models are to be kept simple, clear and comprehensible. Employees as well as third parties should be able to easily understand the basic concepts.
- **Fair compensation in accordance with responsibilities and management level:**
The determination of compensation also has to consider the workload as well as the degree of responsibility and reflect the different management level requirements in a clear and fair manner.
- **Group orientation:**
Compensation has to promote Group orientation. It aims to further commitment towards Group success and increased identification with the Group through employee participation in the long-term development of value and in shared ownership by means of an appropriate share option scheme.

The compensation policy forms the basis for the compensation standards stipulated in appropriate regulations and for the compensation model. The compensation standards set out the targets, processes and requirements for the design of the compensation. They also contain rules for the coordination between compensation and risk management. For employees who receive a variable component of compensation, the compensation model specifies the ratio between fixed and variable portions and the allocation mechanism for the variable portion.

Elements of compensation

The compensation model of the LLB Group

The LLB Group's compensation model aims at ensuring that compensation is performance-linked. Among other elements, this means that an above-average performance has a positive and a below-average performance a negative effect on the amount of compensation. In accordance with the compensation policy, the compensation model focuses on sustained, long-term-oriented action.

The LLB Group's compensation model was developed in conjunction with FehrAdvice & Partners AG, Zurich. It is based on the results of behavioural economics research carried out by Prof. Ernst Fehr from the University of Zurich. A key performance indicator is the so-called "Market-Adjusted Performance Indicator" (MAPI). The MAPI captures the company as holistically as possible, which means it reveals not only short-term successes but also long-term effects. The MAPI gives an undistorted, holistic view of management performance. This is done by comparing the long-term stock return of a company (total shareholder return, TSR) with the TSR of a tailored, relevant comparable group and allows external market effects to be factored out. The difference between the TSR of the company and that of the comparable group gives an indication of the actual performance of the company's management.

In March 2017, the LLB Group's compensation model was honoured by the Swiss Institute of Directors as the best salary model in 2016 of all companies listed on the Swiss stock exchange. The jury of experts described the compensation model as "exemplary". The three main criteria by which it was judged were internal fairness, external fairness and performance-related fairness.

The compensation system of the LLB Group

The compensation system is essentially based on the following approaches:

1. Clear performance incentives, performance orientation and transparency:

A target compensation (total compensation or total target compensation) is defined for each employee. It determines how much employees who attain their targets can earn. A bonus-malus logic ensures that employees earn more or less than their defined target compensation depending on whether they exceed or do not attain

their targets. Compensation depends on performance and not on corporate results that can be affected by market conditions. Acknowledging individual performance serves performance motivation, the management of individual performance contributions towards achieving company goals as well as the retention of top performers.

2. Uniform focus on the structure of the LLB Group:

The compensation system across the whole Group follows a uniform logic and is in accordance with the management structure.

3. Fair compensation in accordance with responsibilities and management level:

The determination of compensation considers the workload as well as the degree of responsibility and reflects the different requirements in a clear and fair manner.

4. Target orientation:

The variable component of the target compensation depends on the salary model and the attainment of targets, which are determined during the annual objectives-setting process and reflect the orientation of and change in the bank. The focus on relative management performance (MAPI) promotes, and is in line with, the LLB Group's long-term business interests. The fulfilment of basic tasks is shown through the function level and thus in the assignment of the reference compensation curve.

5. Fairness and freedom to act:

The variable component is a significant part of the target compensation. Internal transfers and departures are possible at any time and calculated fairly on a pro rata basis.

6. Integrity and trust:

The design of the compensation regulations and processes is based on a mutual foundation of trust between employees and employers. This is necessary because there are time differences between the provision of the performance and the acceptance of responsibility on the one hand, and the payment of the compensation on the other. Furthermore, a performance appraisal always has subjective elements. As a reliable employer, the LLB Group also stands by its employees in difficult times.

These approaches should ensure the understanding of the functioning of the compensation system and fairness for the employees.

Target compensation

In general, target compensation (total target compensation) is comprised of a fixed and a variable component. The fixed component encompasses all contractually agreed or statutory compensation, which is already stipulated prior to the provision of any performance. The variable component includes, in particular, those elements of

compensation which vary depending on various criteria, such as the business success of the company, the individual performance of the employee or the results attained by the organisational unit. In general, the amount and payment of the variable component is at the free discretion of the employer.

Fixed component of target compensation

The fixed component must be reasonably proportionate to the variable component. It is to be calculated in such a manner that indeed the payment of the variable component could be dispensed with. This proportionate relationship is specified in the individual compensation guidelines of Liechtensteinische Landesbank AG and of the LLB Group companies. Depending on the salary model, it varies from 97.6 percent of the target compensation to 67 percent of the target compensation for the Board of Management.

Variable component of target compensation

The variable component of the target compensation is paid in cash and/or in the form of an entitlement to acquire LLB shares, which is subject to a blocked period of three years. Other financial instruments, such as options or bonds, are not considered. The variable component may not exceed 100 percent of the fixed component of the total compensation for each person.

A clawback ruling applies to the blocked portion of the variable compensation, which is largely governed by the individually attained performance and the risks. If a significant change occurs in the assessment of performance and risks during the blocking period (for example, inadequate due diligence, untrustworthy business management or incurring excessive risks), the acquired share entitlements are to be reduced accordingly. The body which decides on the amount of the variable compensation during the annual compensation process will decide about the reduction of the share entitlements. Moreover, the share entitlement in the year concerned will be forfeited if the average Group net profit in the last three years is negative.

A guaranteed variable compensation, for example in the form of a minimum bonus, may only be promised in exceptional circumstances and must be limited to the first working year. As a basic principle, no severance compensation and no additional voluntary annuity payments will be made to employees who leave the company.

The fixed compensation component and the variable target compensation are insured in the staff pension scheme for old age, death and invalidity. The employees of the LLB Group receive fringe benefits in the form of preferential conditions on bank products as customary in the industry as well as a limited preferential interest rate for mortgage loans and on credit balances.

Group Internal Audit is responsible for reviewing the implementation of the Group regulation "Compensation standards" once a year. The results of this review are reported in writing to the Board of Directors. The compensation of senior executives in risk management and compliance at the parent bank and at the LLB Group companies is reviewed once a year by the relevant Board of Directors or by the

Compensation Committee (if such a body exists in the Group company). The Group Nomination & Compensation Committee carries out these tasks for the Group functions.

Compensation of the Board of Directors and the Group Executive Board

Board of Directors

The Board of Directors stipulates the amount of compensation of its members in accordance with their duties and responsibilities. The members of the Board of Directors receive a fixed compensation, which includes the participation in (ordinary and extraordinary) meetings and the General Meeting of Shareholders. The fixed compensation is paid out in cash and in the form of entitlements for the acquisition of LLB shares. The number of LLB shares is calculated on the basis of the average share price in the last quarter of the business year. The entitlement to acquire LLB shares is subject to a blocked period of three years.

The members of the Board of Directors do not receive any variable compensation. They also do not profit from the additional benefits for staff (fringe benefits) or from their preferential conditions on bank products. Business relations with them are subject to the same conditions that apply to comparable transactions with third parties. On account of legal provisions, no severance payment may be made in the event of the termination of a mandate (Art. 21, Para. 2 of the law concerning the control and supervision of public companies).

Group Executive Board

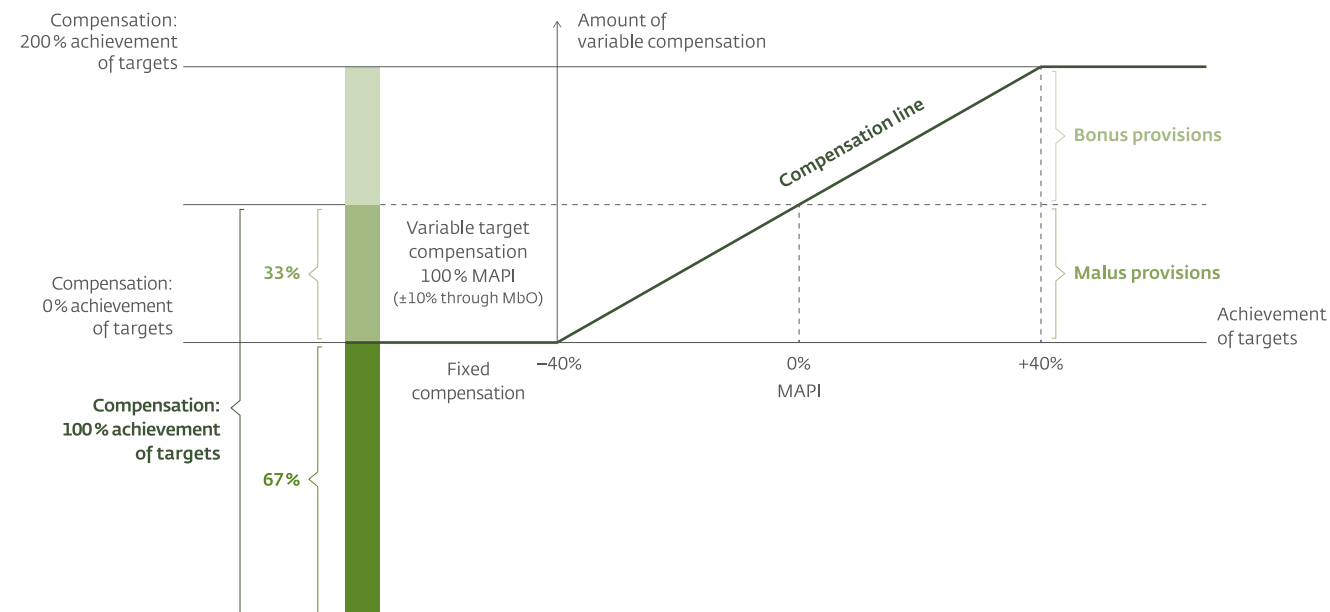
A target compensation is defined for each member of the Group Executive Board. It consists of a fixed compensation (67 %) and a variable target compensation (33%). The target compensation corresponds to the compensation attributable to the member of the Group Executive Board if the targets are 100 percent attained.

The compensation model also contains a bonus-malus provision. The members of the Group Executive Board receive more or less than their target compensation depending on whether they exceed, partly attain or do not attain the annual targets. The maximum bonus possible is 200 percent of the variable target compensation and the maximum malus possible is 0 percent of the variable target compensation. This means that the variable compensation is limited to the total amount of the fixed compensation.

The fixed compensation for the members of the Group Executive Board in 2017 was determined on the basis of a compensation comparison carried out by the Towers Watson company in 2016. This comparison comprised between 5 and 13 comparable banks and between 7 and 23 comparable positions per function represented on the Group Executive Board.

The amount of the variable compensation is determined by the Group performance. This is measured using relative total shareholder return (TSR), i.e. the so-called "Market-Adjusted Performance Indicator" (MAPI). This is done by comparing the TSR of the LLB share in relation to the TSR of a peer group. The peer group is broadly diversified and comprises a group of 25 banks. Its composition is discussed and evaluated annually by the Group Nomination & Compensation

Compensation model: Group Executive Board



Committee. In 2016, the Group Nomination & Compensation Committee, together with FehrAdvice & Partners AG, undertook a periodic review of the peer group. To achieve lower volatility and greater comprehensibility, the peer group was reduced from 28 to 25 banks. From the 2017 business year onwards, the peer group will be composed exclusively of banks from the LLB Group's home markets of Liechtenstein, Switzerland and Austria. The Board of Directors can adjust the variable compensation, based on the individual performance within the framework of the Management by Objectives (MbO) process, by plus / minus 10 percent of the variable target compensation.

The compensation model is illustrated in the previous chart.

Geographic distribution of the 25 banks in the peer group:

Liechtenstein	1
Switzerland	21
Austria	3

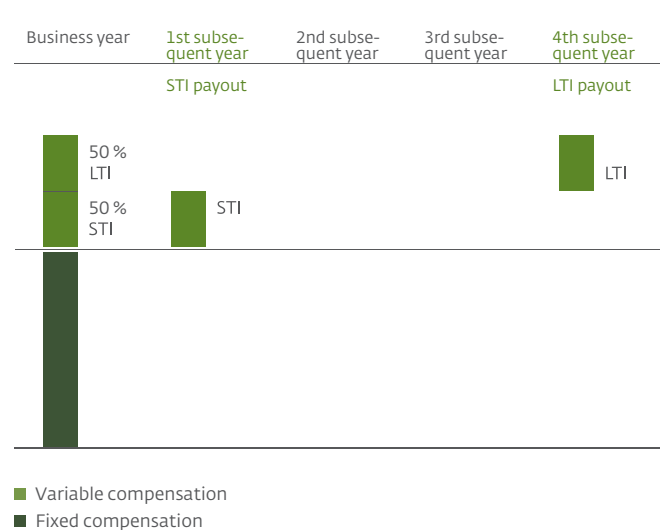
The MAPI compares the management's performance with that of a comparable group of banks. Market effects can be eliminated from the performance indicator by comparing performance with a peer group. The MAPI is therefore free of external market effects. It is calculated annually by FehrAdvice & Partners AG, Zurich.

If the MAPI is 0 percent, which means that the TSR of the LLB share corresponds to the TSR of the peer group, the members of the Group Executive Board receive their variable target compensation. The variable compensation is linearly dependent on the MAPI. No variable compensation is paid if the MAPI is minus 40 percent or less. If the MAPI is 40 percent or more, the maximum variable compensation is paid, which is capped at 200 percent of the variable target compensation.

The fixed compensation is paid out in cash every month, the variable component is provided in the first quarter of the following year. The variable compensation comprises a short-term incentive (STI) and a long-term incentive (LTI). The STI is paid in cash and the LTI is paid in the form of an entitlement to acquire LLB shares. The distribution between the STI (50 %) and the LTI (50 %) is statutorily fixed. The number of LLB shares for the LTI is calculated on the basis of the average share price in the last quarter of the business year. The LTI is subject to a blocked period of three years. The three-year period remains in force even after termination of employment. After three years, the entitlement to acquire shares is transformed into a right to the transfer of the corresponding LLB shares. The share entitlement can be withdrawn or reduced if – during the three-year period – there are significant changes in the assessment of performance and / or risk behaviour of the member of the Group Executive Board. Moreover, the share entitlement in the year concerned will be forfeited if the average Group net profit in the last three years is negative. At the end of the three-year period, the Group Nomination & Compensation Committee examines whether the prerequisites for the entitlement have been met.

The Committee submits its decision to the Board of Directors for a final decision.

LTI with clawback mechanism



The employment relationship of the members of the Group Executive Board is stipulated in individual employment contracts. The period of notice is four months. The contracts of employment do not contain any special clauses, such as, for example, severance compensation following the termination of employment or even in the event of a change in control.

The fixed compensation component and the variable target compensation are insured in the staff pension scheme for old age, death and invalidity. The members of the Group Executive Board are subject to the same conditions in relation to fringe benefits as apply to other employees of the LLB Group. The preferential conditions on bank products as customary in the industry largely consist of a limited preferential interest rate for mortgage loans and on credit balances.

Responsibilities and methods of determining compensation

The Group Nomination & Compensation Committee (see point 3.5.2 "Composition of all Board of Directors' committees, their tasks and terms of reference", pages 86–90) advises the Board of Directors in all aspects concerning compensation. Its tasks include:

- the formulation of recommendations for the stipulation of principles and the establishment of regulations for the compensation policy concerning the members of the Board of Directors, the members of the Group Executive Board and the other employees of the bank for submission to the Board of Directors;
- the formulation of proposals for the compensation of members of the Board of Directors and of the Group Executive Board as well as the Head of Group Internal Audit for submission to the Board of Directors in accordance with existing principles and regulations;
- the annual review of the Group regulation "Compensation standards", the LLB AG regulation of the same name as well as the Group regulation "Fit & Proper – Assessment of members of the Board of Directors, members of the Board of Management, the Head of Group Internal Audit and of key function holders" for submission to the Board of Directors;
- the annual review of the compensation of the members of the Board of Directors, members of the Group Executive Board, the Head of Group Internal Audit and senior executives in risk management and compliance pursuant to the Group regulation "Compensation standards" and the LLB AG regulation of the same name for submission to the Board of Directors in accordance with existing principles and regulations;
- the annual perusal of the compensation of all staff who are covered by the Group regulation "Compensation standards" and the LLB AG regulation of the same name.

The Board of Directors approves the principles and regulations governing compensation and specifies annually the amount of the compensation for the members of the Board of Directors and the members of the Group Executive Board, which reflects their professional experience and the organisational responsibility they bear in the company. The decision regarding the amount of the compensation of the members of the Board of Directors and the members of the Group Executive Board is made at the discretion of the Board of Directors and is based on their duties and responsibilities. The amount of variable compensation of the Board of Management is dependent on the individual fixed compensation from the compensation model. The Chairman of the Group Executive Board has a right of proposal concerning the compensation of the other members of the Board of Management. The members of the Group Executive Board are not present at the discussion and the decision concerning the amount of their compensation.

Pursuant to Art. 12, Para. 2 of the Law on the Liechtensteinische Landesbank, the Board of Directors must inform the Government about the compensation ruling specified for it. Liechtensteinische

Landesbank does not submit the total compensation of the Board of Directors and the Group Executive Board to the General Meeting of Shareholders for approval. It also does not hold an advisory vote on the question of compensation.

Compensation in 2017

For the 2017 business year, the members of the Board of Directors received a fixed compensation of CHF thousands 942. Contributions to benefit plans and other social contributions amounted to CHF thousands 119. The fixed compensation was paid in cash (CHF thousands 772) as well as in the form of an entitlement to acquire LLB shares (CHF thousands 170). The entitlement to acquire LLB shares is subject to a blocked period of three years.

In comparison with the previous year, the total compensation of the members of the Board of Directors increased by CHF thousands 20 or 1.9 percent. This was due to additional compensation expense incurred during the handover of the chairmanship of the Board of Directors in May, as a result of which contributions to benefit plans and other social contributions also rose accordingly.

For the 2017 business year, the members of the Group Executive Board received a fixed compensation of CHF thousands 3'055 and a variable compensation of CHF thousands 1'684. Contributions to benefit plans and other social contributions amounted to CHF thousands 1'046. The fixed compensation was paid in cash. The variable compensation was paid in cash (50%) as well as in the form of an entitlement to acquire LLB shares (50%), which is subject to a blocked period of three years. The number of shares for the share-based compensation is calculated from the average share price of the last quarter of 2017 (CHF 49.50). The variable compensation for the members of the Group Executive Board was, on average, approximately 55.1 percent of the fixed compensation or 29.1 percent of total compensation.

The total compensation of the members of the Group Executive Board in 2017 decreased by CHF thousands 617 or 9.7 percent. This decrease was primarily the result of the lower variable compensation. The MAPI was plus 4.1 percent (previous year: plus 22.5%), which corresponds to an attainment of targets of 110.4 percent (previous year: 156.2%).

The total compensation of the members of the Board of Directors and the members of the Group Executive Board for the 2017 business year is reported on an accrual basis. The variable compensation was charged to the 2017 income statement. Payment of the STI to the members of the Group Executive Board will be made in the first quarter of 2018. The entitlement to acquire LLB shares by the Group Executive Board (LTI) and the Board of Directors is subject to a blocked period of three years.

Details of the compensation and the participations of the members of the Board of Directors and the Group Executive Board, as well as loans to them are shown in the following table.

Compensation of key management personnel

in CHF thousands	Fixed compensation °		Variable compensation		Contribution to benefit plans and other social contributions		Share-based payments		Entitlements		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Members of the Board of Directors												
Georg Wohlwend, Chairman since 13.05.2017**	190	0	0	0	50	0	0	0	25	0	265	0
Hans-Werner Gassner, Chairman until 12.05.2017**	125	300	0	0	39	73	0	0	15	40	179	413
Markus Foser, Vice Chairman	119	119	0	0	12	9	0	0	30	30	161	158
Markus Büchel, Member	64	64	0	0	0	5	0	0	20	20	84	89
Patrizia Holenstein, Member	68	74	0	0	6	6	0	0	20	20	94	100
Urs Leinhäuser, Member	74	74	0	0	0	4	0	0	20	20	94	98
Gabriela Nagel-Jungo, Member	67	63	0	0	5	5	0	0	20	20	92	88
Roland Oehri, Member	65	70	0	0	7	5	0	0	20	20	92	95
Total	772	764	0	0	119	107	0	0	170	170	1'061	1'041
Members of the Board of Management***												
Roland Matt, Group CEO	637	637	175	182	196	189	0	0	175	182	1'183	1'190
Other members of the Board of Management****	2'418	2'483	667	949	850	831	0	0	667	949	4'602	5'212
Total	3'055	3'120	842	1'131	1'046	1'020	0	0	842	1'131	5'785	6'402

° Fixed compensation fee, meeting allowances.

** The Chairman receives a fixed compensation for his 70 percent workload. He does not receive meeting allowances.

*** The compensation was paid to Adulco GmbH in 2017.

**** The Board of Management comprises six members.

***** Heinz Knecht went into retirement on 30 June 2016. From this date, Urs Müller previously Head of the Institutional Clients Division, took over from Heinz Knecht as Head of the Retail & Corporate Banking Division. Natalie Epp has been Head of the Institutional Clients Division since 1 July 2016.

Share holdings of related parties

	Bearer shares	
	31.12.2017	31.12.2016
Members of the Board of Directors		
Georg Wohlwend, Chairman since 13.05.2017	500	
Hans-Werner Gassner, Chairman until 12.05.2017		2'729
Markus Foser, Vice Chairman	835	160
Markus Büchel, Member	568	0
Patrizia Holenstein, Member	358	0
Urs Leinhäuser, Member	250	250
Gabriela Nagel-Jungo, Member	235	235
Roland Oehri, Member	950	400
Total	3'696	3'774
Members of the Board of Management		
Roland Matt, Group CEO	13'458	10'707
Urs Müller, Vice Group CEO	14'746	11'370
Gabriel Brenna	7'683	4'079
Natalie Epp (since 01.07.2016)	50	50
Kurt Mäder	8'479	5'041
Christoph Reich	6'513	3'228
Total	50'929	34'475
Other related companies and parties		
Related parties	100	100
Total	100	100

No member of the Board of Directors or the Board of Management owns more than 0.1 percent of the voting rights.

Loans to key management personnel

in CHF thousands	Fixed mortgages		Variable mortgages		Total	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Members of the Board of Directors						
Georg Wohlwend, Chairman since 13.05.2017	0	0	0	0	0	0
Hans-Werner Gassner, Chairman until 12.05.2017	0	0	0	0	0	0
Markus Foser, Vice Chairman	300	300	700	700	1'000	1'000
Markus Büchel, Member	1'285	1'291	0	0	1'285	1'291
Patrizia Holenstein, Member	0	0	0	0	0	0
Urs Leinhäuser, Member	0	0	0	0	0	0
Gabriela Nagel-Jungo, Member	400	400	0	0	400	400
Roland Oehri, Member	0	0	0	0	0	0
Related parties	553	1'075	350	350	903	1'425
Total	2'538	3'066	1'050	1'050	3'588	4'116
Members of the Board of Management						
Roland Matt, Group CEO	1'005	1'005	0	0	1'005	1'005
Other members of the Board of Management*	2'810	2'810	0	0	2'810	2'810
Related parties**	0	0	0	0	0	0
Total	3'815	3'815	0	0	3'815	3'815

* In addition there is a surety limit of CHF thousands 84 for a member of the Board of Management.

** There is a surety limit of CHF thousands 84.

As at 31 December 2017, the maturities of the fixed mortgages for the members of the Board of Directors and related parties ranged between 1 and 95 months (previous year: between 13 and 107 months) at standard market client interest rates of 1.10 to 1.65 percent p.a. (previous year: 1.10 to 1.65 %). The maturities of mortgages with a variable interest rate granted at standard market conditions were between 2 and 23 months (previous year: between 14 and 35 months).

As at 31 December 2017, the maturities of the fixed mortgages for the members of the Board of Management ranged between 10 and 90 months (previous year: between 22 and 102 months) at interest rates of 0.4 to 1.88 percent p.a. (previous year: 0.4 to 1.88 %).

No new loans were granted in 2017. The fair value of cover of new loans granted in the previous year amounted to CHF thousands 1'577.

Of the total amount for 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. Other credits granted to the members of the Board of Management totalled CHF thousands 246 (previous year: CHF thousands 246).

No allowances for loans and other credits granted to management were necessary. LLB issued guarantees to third parties on behalf of management or related parties totalling CHF thousands 168 (previous year: CHF thousands 168).

Compensation, loans and credits to related parties pursuant to Art. 16, OaEC

Liechtensteinische Landesbank AG paid no compensation to persons pursuant to Art. 16, OaEC. Loans and credits to related parties pursuant to Art. 16, OaEC were granted at standard market conditions.