

The LLB share

The Liechtensteinische Landesbank share is a worthwhile investment. LLB investors have benefited from attractive dividend yields on the back of positive income growth. The LLB share is listed on the SIX Swiss Exchange.

Market capitalisation

The LLB share has been listed on the SIX Swiss Exchange since 1993 and assigned to the "International Reporting Standard" segment. At the General Meeting of Shareholders on 12 May 2017, the shareholders approved a proposal by the Board of Directors to convert the bearer shares into registered shares at a conversion ratio of 1:1. The share has been listed under the symbol LLBN (security number: 35514757) since completion of the conversion on 18 May 2017. In 2017, a total of 2'306'474 LLB shares (2016: 2'141'897) were traded on the SIX Swiss Exchange, corresponding to 7.5 percent (2016: 7.0%) of total shares issued. With 30.8 million registered shares issued, the market capitalisation of Liechtensteinische Landesbank AG stood at CHF 1'529.2 million (2016: CHF 1'242.8 million) as at 31 December 2017.

Shareholder structure

The Principality of Liechtenstein's holding of 17.7 million LLB shares (57.5% of the share capital) remained unchanged in 2017 on the previous year. In 2011, the Liechtenstein Government, as the representative of the majority shareholder, adopted the ownership strategy it has been pursuing in regards to the Principality's equity stake in Liechtensteinische Landesbank AG. The Liechtenstein Government thereby explicitly supports the stock exchange listing of LLB and retains a majority stake of at least 51 percent.

LLB held 6.2 percent (2016: 6.4%) of its own shares as at the end of the reporting year. No other shareholder held more than 3 percent of the share capital in the reporting year. A total of 11'177'063 shares, or 36.3 percent, were in free float as at 31 December 2017 (31.12.2016: 10'232'642 or 33.2%).

Overall 85.1 percent of the 30.8 million total registered shares were entered in the share register as at 31 December 2017. 14.9 percent, or 4'580'115 shares, were not registered.

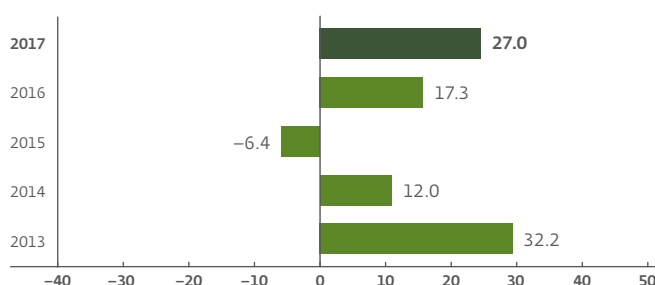
Share price performance

The Swiss Performance Index (SPI) gained 19.9 percent in the 12 months to the end of 2017. The price of the LLB share increased by 23.0 percent to CHF 49.65 as at 31 December 2017. The LLB share outperformed the banking sector: the SWX Banks Index ended the year 22.1 percent higher.

The LLB share held up very well despite persistently low interest rates and global market uncertainties. The LLB Group has a diversified business model, is targeting sustainable, profitable growth with its StepUp2020 strategy and is on track to achieve its strategic objectives. Its annual results for 2017 again underline its ability to produce good results even in a difficult environment. In the view of the analysts (see "Analysts' recommendations" on the next page), also the prospect of rising interest rates in the medium term, among other things, bodes well for a positive performance.

Total return on the LLB share

2013 – 2017, in percent



The total return on the LLB share stood at 27.0 percent (including re-invested dividends). The LLB share closed on 29 December 2017 at a year-end price of CHF 49.65.

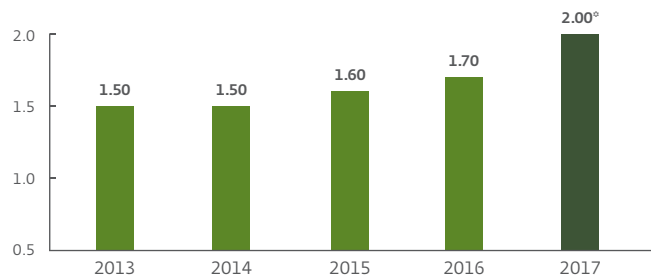
Dividend policy

Liechtensteinische Landesbank pursues an attractive, long-term-oriented dividend policy for the benefit of its shareholders. Furthermore, under the StepUp2020 strategy, the LLB Group is committed to safeguarding its financial security and stability. It intends to keep risk-bearing capital at a Tier 1 ratio of over 14 percent in accordance with Basel III. Against this backdrop, the payout ratio for shareholders should be 40 to 60 percent of Group net profit.

The Board of Directors will propose a dividend of CHF 2.00 per share (2016: CHF 1.70) at the 26th Ordinary General Meeting of Shareholders on 9 May 2018, representing an increase of 17.6 percent. Based on the share price as at the end of 2017, this corresponds to an attractive dividend yield of 4.0 percent. Total dividends to be paid out amount to CHF 57.8 million (2016: CHF 49.0 million). This represents a payout ratio of 51.9 percent for 2017 (2016: 47.2%).

Dividend per share

2013–2017, in CHF



^{*} Proposal of the Board of Directors to the General Meeting of Shareholders on 9 May 2018

Analysts' recommendations

In 2017, the Zürcher Kantonalbank (ZKB) analyst monitored the LLB share and regularly published studies and assessments on the LLB Group. ZKB changed its rating from "market weight" to "overweight" during the reporting year. The analyst raised his rating on 18 September 2017 after a fall in the LLB share price. The LLB share was upgraded to "overweight" in particular on the back of a sector study carried out by ZKB and published in September on the state of fintech in the Swiss banking sector. The ZKB analyst rated LLB as "well-positioned" in terms of its fintech offering and orientation. The acquisition of Semper Constantia Privatbank in Austria, which was announced shortly before Christmas, was viewed favourably by the ZKB analyst. On 3 January 2018, he reconfirmed the "overweight" rating with a fair share price of CHF 60.00. The analyst sees opportunities for returns, in particular, in the prospect of rising interest rates, the potential synergies from acquisitive growth and the cheaply priced share.

Since the middle of 2016, Research Partners AG with analyst Rainer Skierka has also provided coverage of the LLB Group. In January 2017, after a revision of the estimates for 2017–2018, Rainer Skierka confirmed the buy recommendation and set the twelve-month price target to CHF 53.50. On 6 April 2017, Research Partners AG reaffirmed the buy recommendation based on revised earnings estimates and raised the twelve-month price target to CHF 56.20. The equity research from Research Partners AG is not freely available and must be purchased.

In 2017, the private bank Mirabaud, and the analyst responsible Andreas Brun, also took up coverage of LLB. He recommended a "buy" for the LLB share. In March, after publication of the annual results for 2016, he raised the price target from CHF 46.60 to CHF 50.00, arguing that LLB had "not shot all its powder". After the planned acquisition of Semper Constantia Privatbank was announced, the analyst lifted the price target to CHF 53.00.

Communication with the capital market

The LLB Group aims to provide an up-to-date picture of the opportunities and risks relating to its business activities by engaging in an open and ongoing dialogue with investors, analysts and representatives of the media. As a publicly listed company, we are obliged to publish share-price relevant information, including ad hoc information about events that may affect the share price, by means of media communiqués to all stakeholders. We inform shareholders, clients, employees and the public simultaneously, comprehensively and regularly about our business performance, value drivers as well as strategy and provide them with an overview of our key financial and operating figures. The aim is to ensure that the price of the LLB share reflects the fair value of the company.

The LLB Group publishes annual and interim financial results. There are also media and analyst conferences as well as conference calls for analysts, investors and the media. At the General Meetings of Shareholders, the Board of Directors and the Board of Management report transparently on the course of business. We also hold regular discussions with investors, provide information at roadshows and participate in specialist conferences for financial analysts and investors during the course of the year.

All publicly accessible information about the LLB Group can be accessed on our website at www.llb.li. The public is welcome to register for electronically provided share-price relevant information about the LLB Group at www.llb.li/registration. Additionally, we publish our information via social media channels (Facebook, Twitter). The annual and interim financial reports are published by us in printed form and have also been available in a comprehensive online version with numerous additional functions since 2005. The Annual Report 2017 in German can be accessed online at gb2017.llb.li and in English at ar2017.llb.li.

The LLB share: facts and figures

in CHF thousands	31.12.2017	31.12.2016
Total shares issued	30'800'000	30'800'000
Number of shares eligible for dividend	28'877'063	28'840'762
Free float (number of shares)	11'177'063	10'232'642
Free float (in percent)	36.3	33.2
Year's high (15 May 2017 / 15 November 2016)	55.75	43.30
Year's low (9 January 2017 / 18 January 2016)	40.00	33.35
Year-end price	49.65	40.35
Total return LLB share (in percent)	27.0	17.3
Performance SPI (in percent)	19.9	-1.4
Performance SWX Banking Index (in percent)	22.1	-15.3
Average trading volume (number of shares)	9'197	8'433
Market capitalization (in CHF billions)	1.53	1.24
Earnings per share attributable to the shareholders of LLB (in CHF)	3.66	3.40
Dividend per LLB share (in CHF)	*2.00	1.70
Payout ratio (in percent)	51.9	47.2
Dividend yield at year-end price (in percent)	4.0	4.2
Return on equity attributable to the shareholders of LLB (in percent)	6.1	5.9
Eligible capital per LLB share (in CHF)	54.5	51.7

* Proposal of the Board of Directors to the General Meeting of Shareholders on 9 May 2018.

Shareholder structure in percent

