

# The LLB share

**The performance of the LLB share in 2018 shows: investors appreciate the clear strategy of the SIX Swiss Exchange listed company. With a total return of over 33 per cent, the LLB share was the top performer among the bank stocks listed in Switzerland. LLB investors profit once again from an increased dividend and an attractive dividend yield.**

## Market capitalisation

The LLB share has been listed on the SIX Swiss Exchange since 1993 and assigned to the "International Reporting Standard" segment. Since the conversion of the bearer shares into registered shares at a ratio of 1:1 was completed in May 2017, the share has been listed under the symbol LLBN (security number: 35514757). In 2018, a total of 3'798'819 LLB shares (2017: 2'306'474) were traded on the SIX Swiss Exchange, corresponding to 12.3 per cent (2017: 7.5 %) of total shares issued. With 30.8 million registered shares issued, the market capitalisation of Liechtensteinische Landesbank AG stood at CHF 1'977.36 million (2017: CHF 1'529.2 million) as at 31 December 2018. The increase in market capitalisation led in November 2018 to the inclusion of the LLB share within the MSCI World Small Cap Index.

## Shareholder structure

The Principality of Liechtenstein's holding of 17.7 million LLB shares (57.5 % of the share capital) remained unchanged in 2018 compared to 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 ([www.llb.li/en/investors/llb-share](http://www.llb.li/en/investors/llb-share)). It thereby explicitly supports the stock exchange listing of LLB and retains a majority stake of at least 51 per cent.

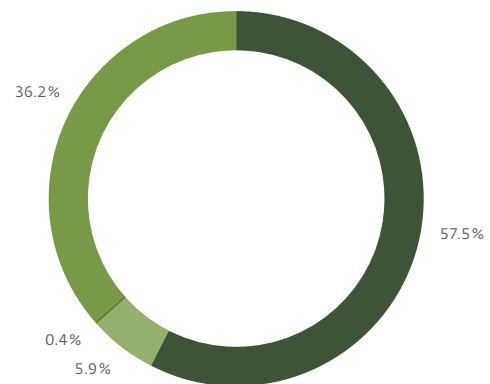
5.9 per cent of the shares were owned by the Haselsteiner Familien-Privatstiftung and the grosso Holding Gesellschaft mbH, both of which are domiciled in Austria, as at 31 December 2018 (see chapter "Corporate Center", page 77).

LLB held 0.4 per cent (2017: 6.2 %) of its own shares as at the end of the reporting year. On 24 August 2018, LLB launched a public share buy-back programme for the purpose of acquiring a maximum of 400'000 of its own registered shares via the ordinary trading line on the SWX Swiss Exchange. As at 31 December 2018, it had repurchased 116'500 shares. The programme will run up to 31 December 2020.

The remaining registered shares were in free float, whereby none of the other shareholders held more than 3 per cent of the share capital.

Overall 89.5 per cent of the 30.8 million total registered shares were entered in the share register as at the end of the reporting year. 10.5 per cent, or 3'230'017 shares, were not registered.

## Shareholder structure in per cent



- Principality of Liechtenstein
- The shareholders group consisting of the Haselsteiner Familien-Privatstiftung (private family foundation) and grosso Holding Gesellschaft mbH (holding company).
- LLB
- Free float

## Share price performance

The LLB share held up very well despite persistently low interest rates and global market uncertainties. Its price increased by 29.3 per cent to CHF 64.20 as at 31 December 2018. The total return on the LLB share stood at 33.4 per cent (including re-invested dividends). This is its highest level in five years. The LLB share thus outperformed all of the banks listed in the SWX Banks Index. The Swiss SWX Banks Index lost 28.8 per cent in the reporting year.

With its above-average performance, the LLB share also ranked among the top performers in the Swiss Performance Index.

The Swiss Performance Index (SPI), which includes almost all Swiss listed stock corporations, lost 8.6 per cent in 2018 compared to the previous year.

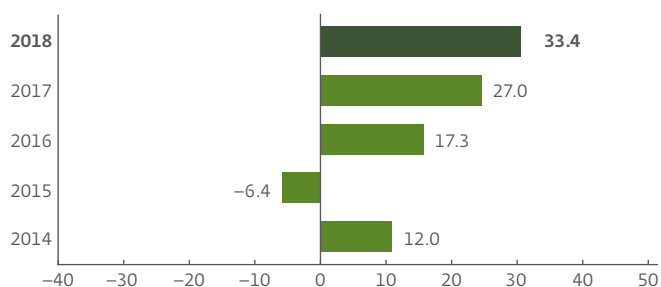
### Comparison of LLB share

Indexed from 1 January 2016



### Total return on the LLB share

2014 – 2018, in per cent



### Dividend policy

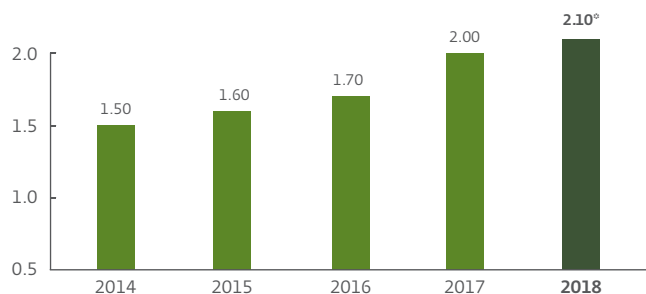
Liechtensteinische Landesbank pursues an attractive, long-term-oriented dividend policy for the benefit of its shareholders. Furthermore, under the StepUp2020 strategy, the LLB Group is committed to safeguarding its financial security and stability. It intends to keep risk-bearing capital at a Tier 1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

The Board of Directors will propose a 5 per cent higher dividend of CHF 2.10 per share (2017: CHF 2.00) at the 27th Ordinary General Meeting of Shareholders on 3 May 2019. Based on the share price as at

the end of 2018, this corresponds to a dividend yield of 3.3 per cent. Total dividends to be paid out amount to CHF 64.4 million (2017: CHF 57.8 million). This represents a payout ratio of 75.5 per cent for 2018 (2017: 51.9%).

### Dividend per share

2014 – 2018, in CHF



\* Proposal of the Board of Directors to the General Meeting of Shareholders on 3 May 2019

### Analysts' recommendations

Early in 2018, the analysts determined that the LLB share had upside potential. Javier Lodeiro, the Zürcher Kantonalbank analyst responsible for monitoring the LLB share, upgraded the stock to "overweight". He judged the acquisition of Semper Constantia Privatbank AG to be a "sensible step in the right direction". In September, the analyst attested that LLB had "fundamentally taken several steps forward" and left his rating unchanged at "overweight". At the end of December, the research team at Zürcher Kantonalbank included the share of Liechtensteinische Landesbank in its list of the top five favourites for 2019 in the small and mid-cap category, citing LLB's strong competitive position in Liechtenstein and eastern Switzerland. The Semper acquisition has strengthened its presence in the Austrian market. LLB's solid balance sheet, moreover, allows it to buy additional banks: it has some CHF 400 million in surplus capital available for such acquisitions. LLB is also performing very well operationally, though financial investments burdened the results somewhat in the first half of the year, client business is, however, likely to continue to develop positively, in the analysts' view.

Research Partners AG has been covering the LLB share since the middle of 2016. In a report that came out in April, analyst Rainer Skierka viewed the acquisitions made by LLB as "strategically sensible in what is a consolidating market" and confirmed his buy recommendation. He raised the twelve-month price target significantly from CHF 56.20 to CHF 63.00. In his report published in June, the analyst lifted the price target further to CHF 72.00, arguing that: "We believe that, under StepUp2020, LLB remains on course, strategically and financially, to achieve the price target." The equity research from Research Partners AG is not freely available and must be purchased.

## Communication with the capital market

The LLB Group publishes annual and interim financial results (see chapter "Brand and communication", page 52). This includes the annual financial reporting and analyst conference in Zurich as well as the conference call for analysts, investors and the media on the interim financial results, with the LLB Group's annual and interim reports, which we produce to a very high standard, forming the basis. In autumn 2018, the LLB Group's annual report finished in an impressive second place in the overall rating out of 230 companies in the Swiss Annual Report Rating. Also 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, such as the Investora Zurich, during the course of the year. In 2018, LLB was covered by analysts from Zürcher Kantonalbank and from Research Partners AG (see section "Analysts' recommendations", page 44).

All publicly accessible information about the LLB Group can be accessed on our website at [www.llb.li](http://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](http://www.llb.li/registration). Additionally, we publish our information via our social media channels (Facebook, Twitter). We publish the annual and interim financial reports both in printed form and in a comprehensive online version with numerous additional functions. The Annual Report 2018 in German can be accessed online at [gb2018.llb.li](http://gb2018.llb.li) and in English at [ar2018.llb.li](http://ar2018.llb.li).

## The LLB share: facts and figures

in CHF thousands	31.12.2018	31.12.2017
Total of registered shares issued (fully paid up)	30'800'000	30'800'000
Number of shares eligible for dividend	30'675'159	28'877'063
Free float (number of shares)	11'170'159	11'177'063
Free float (in per cent)	36.3	36.3
Year's high (3 December 2018 / 15 May 2017)	68.60	55.75
Year's low (5 January / 9 January 2017)	49.70	40.00
Year-end price	64.20	49.65
Total return LLB share (in per cent)	33.4	27.0
Performance SPI (in per cent)	-8.6	19.9
Performance SWX Banking Index (in per cent)	-28.8	22.1
Average trading volume (number of shares)	15'256	9'197
Market capitalization (in CHF billions)	1.98	1.53
Earnings per share attributable to the shareholders of LLB (in CHF)	2.62	3.66
Dividend per LLB share (in CHF)	* 2.10	2.00
Payout ratio (in per cent)	75.7	51.9
Dividend yield at year-end price (in per cent)	3.3	4.0
Return on equity attributable to the shareholders of LLB (in per cent)	4.3	6.1
Eligible capital per LLB share (in CHF)	50.8	54.5

\* Proposal of the Board of Directors to the General Meeting of Shareholders on 3 May 2019.