

The LLB share

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

Market capitalisation

The LLB share has been listed on the SIX Swiss Exchange under the symbol LLB (security number: 3019524) since 1993 and assigned to the "International Reporting Standard" segment. In 2016, a total of 2,141,897 LLB shares (2015: 1,733,842) were traded on the SIX Swiss Exchange, corresponding to 7.0 percent (2015: 5.6 %) of total shares issued. With 30.8 million bearer shares issued, the market capitalisation of Liechtensteinische Landesbank AG stood at CHF 1,242.8 million (2015: CHF 1,104 million) as at 31 December 2016. The Board of Directors will propose the conversion of the existing LLB bearer shares with a nominal value of CHF 5.00 each into registered shares with the same nominal value at the General Meeting of Shareholders on 12 May 2017. The execution of the conversion is planned for the end of May 2017.

Shareholder structure

The Principality of Liechtenstein's holding of 17.7 million LLB shares (57.5% of the share capital) remained unchanged in 2016 on the previous year. On 22 November 2011, the Liechtenstein Government, as the representative of the majority shareholder, adopted the ownership strategy it had 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 6.4 percent (2015: 6.4 %) of its own shares, while Thornburg Investment Management Inc. held 2.95 percent (2015: 3.7%) of total shares issued as at the end of the reporting year. No other shareholder held more than 3 percent of the share capital. A total of 10,232,642 shares, or 33.2 percent, were in free float as at 31 December 2016 (31.12.2015: 9,971,798, or 32.4 %).

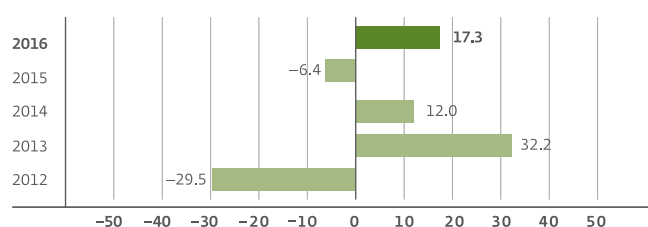
Share price performance

The Swiss Performance Index (SPI) lost minus 1.4 percent on the previous year. Over the same time period, the price of the LLB share increased by 12.6 percent to CHF 40.35 as at 31 December 2016. The LLB share also significantly outperformed the banking sector: the SWX Banks Index ended the year 15.3 percent lower.

The LLB share held up very well despite historically low interest rates and global market uncertainties. The slight rise in interest rates at the end of the year and also, in particular, the diversified business model bode well for sustainable positive development. With its StepUp2020 strategy, the LLB Group is targeting profitable growth. Its annual results for 2016 underline its ability to generate good results even in a difficult environment.

Total return on the LLB share

2012–2016, in percent



The total return on the LLB share stood at 17.3 percent (including re-invested dividends). The LLB share closed at CHF 40.35 on 31 December 2016.

Dividend policy

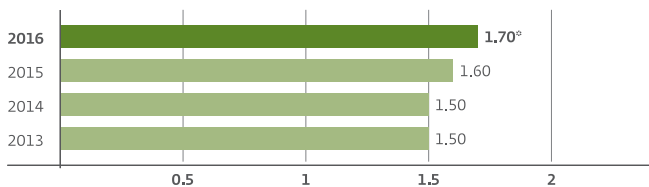
Liechtensteinische Landesbank pursues an attractive, long-term-oriented dividend policy for the benefit of its shareholders. Furthermore, under the StepUp2020 strategy, the LLB Group is committed to safeguarding its financial security and stability. It intends to keep risk-bearing capital at a Tier 1 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 1.70 per share (2015: CHF 1.60) at the 25th Ordinary General Meeting of Shareholders on 12 May 2017, representing an increase of 6.3 percent. Based on the share price as at the end of 2016, this corresponds to a dividend yield of 4.2 percent.

Total dividends to be paid out amount to CHF 49.0 million (2015: CHF 46.1 million). This represents a payout ratio of 47.2 percent for 2016 (2015: 53.4 %).

Dividend per share

2013 – 2016, in CHF



* Proposal of the Board of Directors to the General Meeting of Shareholders on 12 May 2017.

Analysts' recommendations

In 2016, the Zürcher Kantonalbank (ZKB) analyst monitored the LLB share and regularly published studies and assessments on the LLB Group. ZKB kept its rating at "market weight" throughout the reporting year and also after publication of the advance information on the 2016 annual financial statement. Analyst Javier Lodeiro entitled his update in January 2017, "LLB with positive 2016 advance financial statement". The ZKB analyst sees upside potential for the share price in an increase in interest rates, in strategically targeted acquisitive growth, which offers synergistic potential, and in the still relatively low valuation of the LLB share.

In July 2016, Research Partners AG with analyst Rainer Skierka took up coverage of the LLB Group. He issued a buy recommendation for the LLB share, setting a twelve-month price target of CHF 49.00. Subsequent to the publication of the advance information on the annual financial statement for LLB on 19 January 2017 and after an initial revision of the estimates for 2017 – 2018, Rainer Skierka reaffirmed the

buy recommendation and raised the twelve-month price target to CHF 53.50.

Prior to the publication of the advance information in January 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 and published a target price of CHF 46.20, which he raised to CHF 46.60 after publication of the advance information. His buy recommendation was based on a combination of the following factors: interest rate sensitivity to rising interest rates, attractive dividend payments, stability thanks to a broad diversification of business activities, solid capital ratios and a high return on required equity.

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.

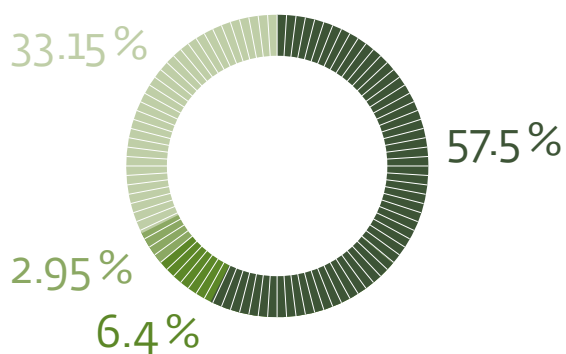
All publicly accessible information about the LLB Group can be accessed on our website at www.llb.li. The public is welcome to register for electronically provided share-price relevant information about the LLB Group at www.llb.li/registration. Additionally, we publish our information via social media 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 2016 can be accessed online at gb2016.llb.li (German); ar2016.llb.li (English).

The LLB share: facts and figures

in CHF thousands	31.12.2016	31.12.2015
Total bearer shares issued	30'800'000	30'800'000
Number of shares eligible for dividend	28'840'762	28'821'798
Free float (number of shares)	10'232'642	9'971'798
Free float (in percent)	33.2	32.4
Year's high (14 November 2016 / 9 January 2015)	43.65	41.55
Year's low (18 January 2016 / 18 September 2015)	33.35	34.00
Year-end price	40.35	35.85
Total return LLB share (in percent)	17.3	-6.8
Performance SPI (in percent)	-1.4	2.7
Performance SWX Banking Index (in percent)	-15.3	9.5
Average trading volume (number of shares)	8'433	6'908
Market capitalization (in CHF billions)	1.24	1.10
Earnings per share attributable to the shareholders of LLB (in CHF)	3.40	2.87
Dividend per LLB share (in CHF)	* 1.70	1.60
Payout ratio (in percent)	47.2	53.4
Dividend yield at year-end price (in percent)	4.2	4.5
Return on equity attributable to the shareholders of LLB (in percent)	5.9	5.0
Eligible capital per LLB share (in CHF)	51.7	50.8

* Proposal of the Board of Directors to the General Meeting of Shareholders on 12 May 2017.

Shareholder structure in percent



- Principality of Liechtenstein
- LLB
- Thornburg Investment Management
- Free float