Liechtensteinische Landesbank is growing through acquisitions and also organically – and yet, CEO Roland Matt announces jobs cuts in an interview with finews.com.

**Liechtensteinische Landesbank (LLB) has lots on its plate at year-end…**

True, we will migrate our IT in Austria on to our Avaloq core-banking system. The harmonization of the IT is a big step for LLB Group.

**Other banks had their problems with the Avaloq migration recently.**

The project so far has gone according to plan, but the real migration won’t take place before the end of the year.

**What benefit do you achieve through the harmonization of your IT?**

There are two main aspects. On the one hand, there is an increase in efficiency through the standardization of procedures and services. On the other hand, it enables us to roll out all services and products developed in the asset management with LLB Invest, as well as the entire online and mobile banking business in Austria. This wasn’t possible with the old IT.

**Speaking of efficiency: your cost-income-ratio currently is about 70 percent. What’s your goal for CIR?**

The target rate by the end of 2020 is a value of 65 percent. That’s quite a challenge given the current situation with negative interest.

«We will generate further synergies with the transition of LLB Austria to the core-banking system»

But, for the remaining year of our current strategy period, we will keep our focus clearly on profitability and, in the coming year, will certainly not only work to improve revenues but also the cost side.
Do you envisage lower costs?

We have a strict cost management for materials and personnel. With the transition of LLB Austria to the core-banking system we generate further synergies…

On the personnel side?

Yes, in Vienna there will be job cuts in the back office, because tasks can be automated – providing the migration will be successful.

How many jobs are we talking about?

A maximum 19 out of 220 jobs. It is the same process that we carried out at Bank Linth a couple of years ago, when we brought the administration of securities, trading and payment services into the shared services in Vaduz.

LLB aims to do further targeted acquisitions and has issued two bonds in recent months. Were these designed to give you more financial leeway?

First and foremost, these emissions served to optimize our refinancing structure. We have about 400 million francs in excess capital that we can use for acquisitions.

Is it wrong to say that it has become much harder to identify suitable targets for acquisitions?

We are looking at a great number of opportunities as part of our strategic process. But you’re right, suitable candidates are a rare commodity.

«Currently, there is very little movement in the market»

All the happier we are to have Semper Constantia and LB(Swiss) Investment, which are an excellent fit. Currently, there is very little movement in the market, but we are keeping our sensors wide open.

What would your aim be? A further diversification of the business, into other segments?
No, the aim is clear: we want more of the same. In Austria, we are focusing on private banking and the fund business, in Switzerland on retail, corporate and private banking and in Liechtenstein as a universal bank across all segments.

**LLB closed its Swiss unit a couple of years ago, but retained two branches. One in Erlenbach on Lake Zurich, one in Geneva. Are you considering an expansion?**

In Switzerland, we perform the onshore private banking through our Bank Linth unit. The presence of which we are expanding continuously, most recently to Winterthur, Meilen and Frauenfeld.

«The Middle East is clearly a growth region for us»

Geneva and Erlenbach are representative offices of LLB Liechtenstein and focus entirely on Eastern European offshore clients. There are a lot of Eastern European private clients in particular who want to be served expressly from Switzerland.

*The Geneva offices would be ideal for clients from the Middle East.*

This holds true for the location as such but that business currently isn’t of any significance there. LLB has a presence in the Middle East, we only just moved into bigger offices in Dubai and we also have a branch in Abu Dhabi – for us this clearly is a growth region.

**LLB has given up the state guarantee earlier this year. How did you clients react, given their penchant for security?**

It wasn’t a big deal. The state guarantee for LLB was restricted to saving accounts and medium-term notes. We haven’t used the state guarantee as a marketing tool for years, but the rating, which is independent of it.

**Do offshore clients have a different perception of Switzerland and Liechtenstein as booking locations?**

We are witnessing a clear trend toward a diversification of countries among the wealthy clientele.
«We are more restrictive in respect to cryptocurrencies»

Liechtenstein is an independent nation with its own regulation and therefore is compared with other financial markets such as the U.K. or Singapore a clear diversification – and to a lesser degree also compared with Switzerland.

Would it be an option to have an onshore presence in Russia?

No, we are very happy with the current setup.

Liechtenstein implemented a Blockchain law and is one of Europe’s cryptohubs. Are you leaving that business all in hands of Bank Frick?

You have to clearly distinguish between Blockchain as a technology and cryptocurrencies. Depending on the client, we enter into business with Blockchain-firms, providing their business model is comprehensible and transparent. We are more restrictive in respect to cryptocurrencies, not least due to the correspondence banks.

**Roland Matt**, 49, took over as chief executive of LLB Group in 2012, but has been with the bank since 2002. The citizen of Liechtenstein was head of the investment committee and in charge of developing and communicating the investment strategy. He also was responsible for the acquisition and personal support of client mandates. In 2009, he became member of the group and executive board.