

BACK TO BUSINESS - HSSR
PRESENTATION ON 21.09.2022
THE SWISS-LIECHTENSTEIN
MORTGAGE MODEL

BENDURA BANK AG – DISCOVERING TRUE VALUES

Dr Peter KRENN, CEO
Ivan MELAY, MSc, CFA, Executive Director





AGENDA

- Personal Introduction
- About BENDURA BANK AG
- The Swiss-Liechtenstein Mortgage Model
- Q&A



PERSONAL INTRODUCTION



Dr PETER KRENN and IVAN MELAY, MSc

PERSONAL INTRODUCTION



Dr Peter KRENN
CEO



- *1981, AT and PL citizen
- Employed at BENDURA BANK AG since 2011
 - 2011-2017 Relationship Manager for Eastern and Southern Europe
 - Since 2017 Member of the Board of Management
 - 2019-2020 Deputy CEO
 - Since 2020 CEO and Chairman of the Board of Directors of BENDURA Funds AG
- Since 2021: Honorary Consul of the Republic of Malta in the Principality of Liechtenstein ([Consular Mission](#))
- Language Skills: German, Polish, English, French and Russian

Ivan MELAY, MSc, CFA
Executive Director



- *1981, CH and SK citizen
- Employed at BENDURA BANK AG since 2011
 - 2011-2017 Associate – International Sales
 - 2017-2020 Director – Individual Clients, Head of Central Europe
 - since 2021 Executive Director – Individual Clients, Head of Central Europe
- Since 2021: Member of University Relationship Committee of Swiss CFA society
- Language Skills: Slovak, Czech, English, German

BENDURA BANK AG



ABOUT US

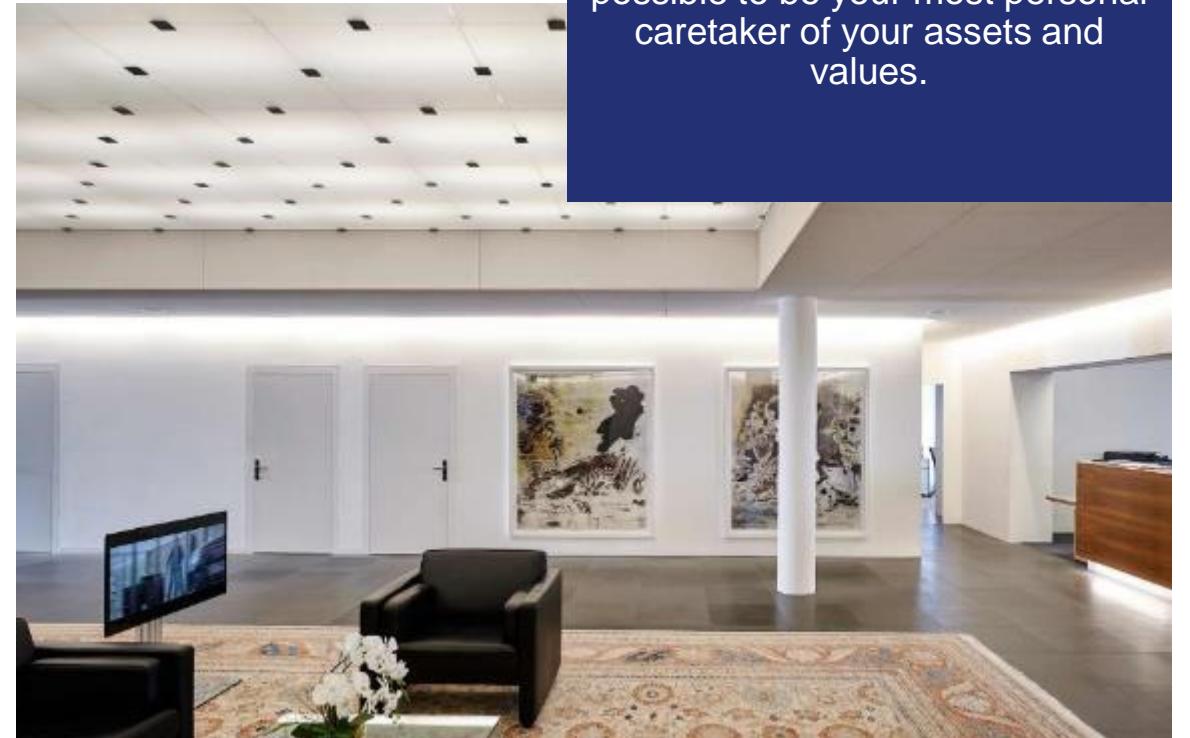
BENDURA BANK AG

ABOUT US



- BENDURA BANK AG, founded in 1998, is a fully licensed bank headquartered in Gamprin-Bendern in the Principality of Liechtenstein.
- International and multicultural approach: front-office employees are organised according to language regions
- We provide tailor-made financial services for wealthy entrepreneurial families and high net worth individuals including:
 - Asset Management
 - Investment Advice
 - Investment Fund Management
 - Issuer Services
 - Loan Financing

Our aspiration is to do everything possible to be your most personal caretaker of your assets and values.



BENDURA BANK AG

KEY FIGURES



FIGURES AS OF 31.12.21

Assets under management	CHF 4,050.2 million
Balance sheet total	CHF 1,627.3 million
Equity	CHF 116.5 million
Net profit for FY2021	CHF 5.1 million
Cost/Income Ratio	79.0%
Return on shareholder's equity	4.5%
Leverage ratio	6.30%
Tier 1 capital ratio	21.39%
Employees	131.5 FTE
Number of Clients	3,005



In the midst of rapid developments in the financial markets, we focus on open product platforms and individually managed mandates.

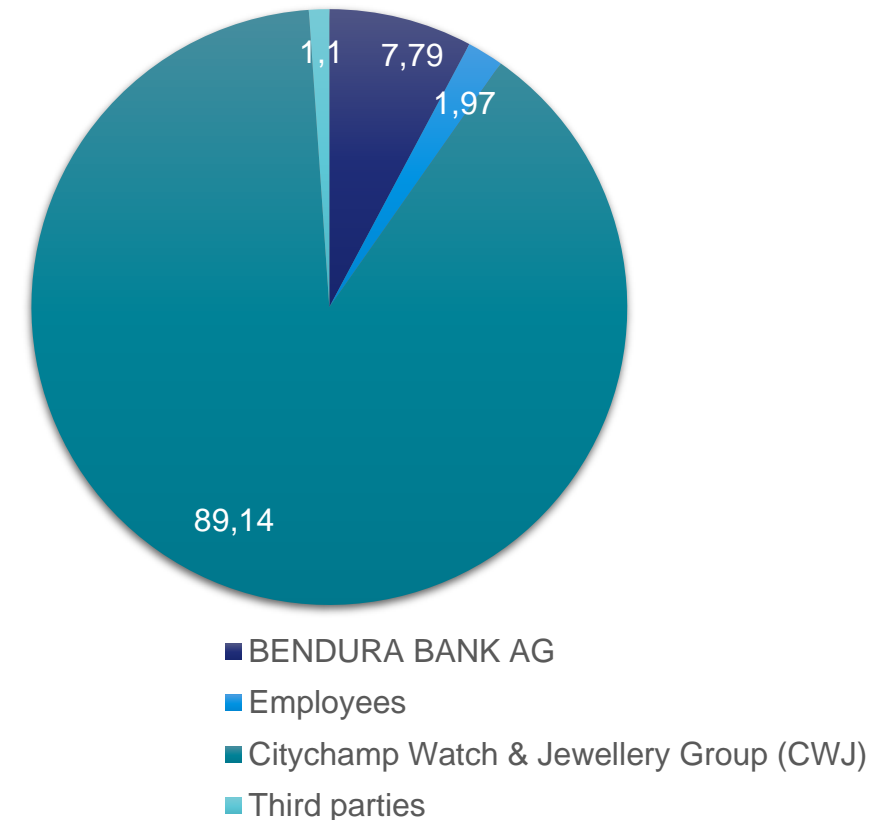


BENDURA BANK AG

OWNERSHIP AND BENEFITS

- The company is a subsidiary (89.14%) of Citychamp Watch & Jewellery Group Ltd., a luxury goods company traded on the Hong Kong stock exchange.
- A key element in retaining our experienced and committed employees over the long term is our unique and equally attractive participation model.
- Private bank with short decision-making processes and flat hierarchy
- International and multicultural approach
- Employees from different backgrounds collectively cater to over 20 languages

SHARES



ECONOMIC BACKGROUND

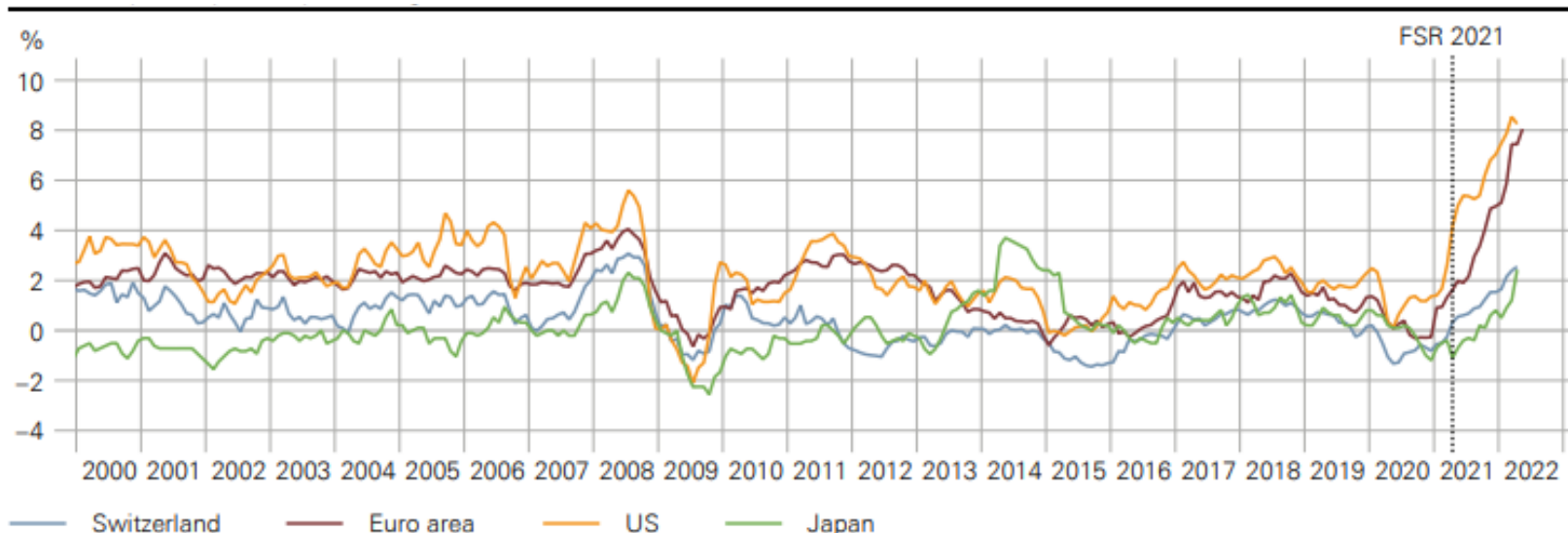


- Central banks contribute to the stability of the financial system.
- Experience from financial crises shows that financial stability depends primarily on the stability of the banking sector.
- The uncertainty surrounding the development of inflation, interest rates and economic growth carries risks for financial stability, particularly against the backdrop of the war in Ukraine.
- Existing vulnerabilities, such as already stretched valuations in real estate markets in various countries add to these risks.
- Stock valuations in some markets remain high despite recent corrections and global corporate and sovereign debt levels rose significantly during the coronavirus pandemic. These factors increase the sensitivity of economies and of real estate and financial markets to adverse shocks.

INFLATION PRESSURE - SUMMER 2022



- Upward pressure on interest rates as inflation rises more than anticipated (historically high levels in the US and the euro area)
- Central banks – for example, in the US and UK – have begun raising their policy rates significantly. Global interest rates however remain low by historical comparison



Inflation

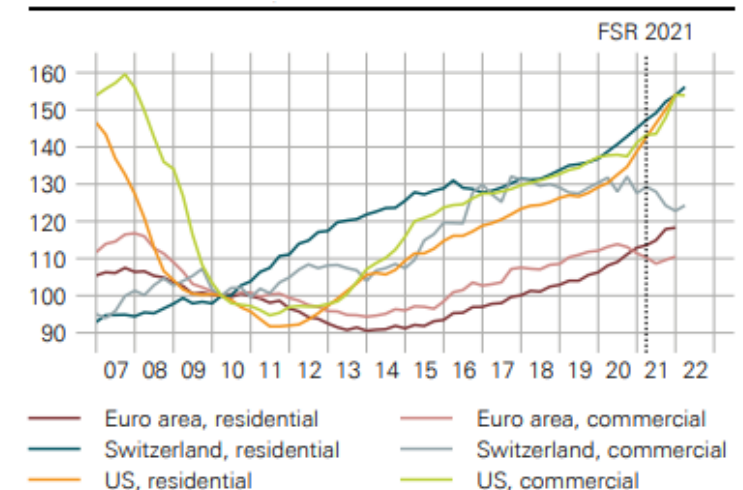
Consumer prices, year-on-year change

Quelle: SNB Financial Stability Report 2022 / Refinitiv, SFSO

OUTLOOK FOR REAL ESTATE MARKET



- In residential real estate markets, prices have mostly continued to rise – in many countries at an accelerated pace, outstripping consumer price inflation.
- Overall, the outlook for real estate markets remains uncertain, as neither the impact of future interest rate developments nor the persistence of pandemic-related preference shifts are clear at this stage.
- Although vulnerabilities are visible across the residential segments, the residential investment property segment appears to present the greatest risk of price corrections.
 - Importance of sustainable affordability
 - Risk adjusted Loan-to-Value according to property



Real estate prices

In real terms, Q1 2010 = 100

Quelle: SNB Financial Stability Report 2022 / BIS, Refinitiv, SFSO, Wüest Partner

BANKING IN LIECHTENSTEIN



THE SWISS-LIECHTENSTEIN
MORTGAGE MODEL

OVERVIEW OF LOAN FINANCING

MORTGAGE LOANS



<https://www.bendura.li/en/services/loan-financing/lombard-loans>

OVERVIEW OF LOAN FINANCING

MORTGAGE LOANS

1/2



- Complementary business; includes a private banking component
- Lending within lending limits (min. CHF/EUR 500,000.00)
- Amortization according to policy
- First ranked legal pledges only in Liechtenstein, Switzerland, Austria and Germany
- Loan period up to 20 years
- Exceptions-to-policy (ETP) → subject to further in depth plausibility checks

OVERVIEW OF LOAN FINANCING

MORTGAGE LOANS

2/2



- Equity Capital of the borrower at least 20%

 - Lending Values
 - Single-family houses and condominium ownership: max. 80%
 - Apartment buildings: max. 80%
 - Office buildings and developed building land: max. 70%

 - Holiday properties: max. 67%
 - Non-marketable objects: max. 60%
 - Commercial and industrial properties: max. 50%
- Amortisation of 2nd mortgage
-
- No Amortisation of 1st mortgage
- Affordability
 - Imputed mortgage interest rate: 5% p.a.
 - Imputed service charges: 1% p.a.

 - Self-used properties: No more than 33% on ones income for imputed costs
 - Investment properties: 100% or more of the sustainably achievable earnings for imputed costs



OVERVIEW OF LOAN FINANCING

MORTGAGE LOANS – EXEMPLARY AFFORDABILITY CALCULATION

■ Single Family house / self-used

Value	CHF 1'000'000.00
Family income	CHF 200'000.00

■ Policy

Max. lending value	80.00%
1 st mortgage	CHF 670'000.00
2 nd mortgage	CHF 130'000.00

■ Conclusion

Interest 5%	CHF 40'000.00
Service charges 1%	CHF 10'000.00
Amortisation	<u>CHF 8'666.67</u>
	58'666.67

➤ Affordability (< 33.33%) **29.33 %**

Low Risk Approach:
Calculation based on the lower of either the Net Asset Value (Intrinsic Value) or Market Value

Investment properties use the rental income as basis for the affordability





OVERVIEW OF LOAN FINANCING

LOMBARD LOANS

- Marketability

Implementation of credit lines (with signed documents) from within 24h

- Assessability

Lending value of securities are determined based on an intact market environment

- Liquidity up to 95%
- Bonds up to 90%
- Stocks up to 60%

- Diversification

Individual positions no greater than 40% of the total lending value, otherwise deductions apply

- Individual lending

Possible after examination by the Loan Department (ex. single stock lending)

CONTACT

HOW TO FIND US



BENDURA BANK AG

Schaaner Strasse 27
9487 Gamprin-Bendern
Liechtenstein

P: +423 265 56 56
info@bendura.li
www.bendura.li

Dr Peter Krenn
peter.krenn@bendura.li

Ivan Melay, MSc, CFA
ivan.melay@bendura.li, +41 79 387 9542

BENDURA FUNDS AG

Schaaner Strasse 27
9487 Gamprin-Bendern
Liechtenstein

P: +423 399 40 00
contact@bendurafunds-beta.li
www.bendurafunds-beta.li

BENDURA BANK AG
Hong Kong Representative Office
Unit 1905, Level 19
International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

P: +852 2275 3771
info@bendura.li
www.bendura.li

