



Media release

LGT reports higher profits and strong net asset inflows for the first half of 2022

Vaduz, 25 August 2022. **LGT, the international Private Banking and Asset Management Group owned by the Princely House of Liechtenstein, achieved a group profit of CHF 217.2 million in the first half of 2022, a year-on-year increase of 20%. In a market environment characterized by uncertainties, LGT generated very solid revenues and further invested in the expansion of its business, digitalization, and sustainable investment solutions. Assets under management remained stable at CHF 284.7 billion at the end of June 2022, reflecting strong net asset inflows of CHF 6.2 billion and asset growth of CHF 15.6 billion from the acquisition of Crestone Wealth Management.**

The first half of 2022 was exceptionally challenging due to the geopolitical and economic uncertainties in international financial markets, which was also reflected in the generally subdued level of client activity. LGT thus focused on its service to clients, sustainable investment solutions, and prudent risk management. Since 12 May 2022, the costs and revenues of the recently acquired Australian wealth manager Crestone have been reflected in LGT's results.

LGT generated CHF 784.6 million in income from services in the first half of 2022, an increase of 13% compared with the prior-year period, despite muted transaction-related revenues. At CHF 128.4 million, income from trading activities and other operating income was 19% lower than in the prior-year period, as hedging operations only partially offset lower transaction volume. Net interest income increased 36% to CHF 138.2 million due to rising interest rates. Overall, LGT's total operating income rose 10% to CHF 1051.2 million.

Reflecting both headcount growth, personnel expenses increased 3% to CHF 582.1 million, despite lower accruals for long-term performance-related compensation. Business and office expenses rose 25% to CHF 159.6 million due to greater investments in digitalization, a rise in expenses for travel, marketing and events, as well as higher consulting costs. Overall, total operating expenses increased 7% to CHF 741.6 million.

The cost-income ratio decreased to 70.6% at the end of June 2022, compared with 75.2% as at 31 December 2021 and 72.4% as at 30 June 2021. Group profit for the first half of 2022 increased to CHF 217.2 million, 20% higher than in the prior-year period. LGT is very well capitalized with the Tier 1 ratio at 18.4% as at 30 June 2022, compared with 22.1% at the end of 2021, and maintains a high level of liquidity.

Strong net asset inflows of CHF 6.2 billion

Despite the difficult market environment, LGT recorded strong net asset inflows of CHF 6.2 billion in the first half of 2022, which corresponds to annualized growth of 3%. Following the exceptionally high net asset inflows last year, LGT thus once again achieved robust inflows, to which both LGT Private Banking and LGT Capital Partners contributed.

Assets under management remained stable at CHF 284.7 billion as at 30 June 2022, compared with CHF 285.8 billion as at 31 December 2021, as negative market performance was offset by the net asset inflows, positive foreign currency effects, and CHF 15.6 billion in assets from the Crestone acquisition. Client assets managed by LGT Private Banking and LGT Capital Partners amounted to CHF 203.7 billion and CHF 81.0 billion, respectively.

Strategy and outlook

LGT will continue to implement its strategy consistently. Despite the more challenging environment, LGT is well positioned to achieve profitable full-year growth and assist its clients in navigating unpredictable markets.

The acquisition of Crestone, Australia's leading wealth manager for high-net-worth individuals, has enabled LGT Private Banking to expand its strong position in Asia to the wider Asia-Pacific region. Also, following a recent agreement with Vontobel, the latter's private clients in Hong Kong will receive an offer to transfer to LGT. The British wealth manager LGT Vestra, which was fully acquired by LGT in 2020, was renamed LGT Wealth Management in the first half of the year, and Crestone will henceforth operate as LGT Crestone. In the important private banking market of Germany, LGT intends to establish a presence in two to three locations by the end of 2023 with a view to providing optimal support for clients in the country.

In the area of sustainability, LGT recently signed the Finance for Biodiversity Pledge as well as the Principles for Responsible Investment (PRI) initiative and is also now a member of the Institutional Investors Group on Climate Change (IIGCC). In order to further evolve its sustainable investment strategy, LGT has signed a service agreement with BMO Global Asset Management for stewardship, becoming one of the first private banks in Europe to take this coordinated approach to corporate engagement. In addition, LGT has recently announced that it will join South Pole's NextGen CDR Facility as a founding buyer, along with other leading companies, to dramatically improve technologies to remove carbon from the atmosphere and expand the market for high-quality carbon capture.

As part of the separation of LGT Private Banking, LGT Capital Partners and Lightrock announced in 2020, Lightrock was legally separated from LGT Group in 2021. The Group holding structure will remain in place for LGT Private Banking and LGT Capital Partners until further notice. The targeted principle of independence has, however, been implemented with the newly established management structures, and their operational separation has been completed. The companies define their own strategic direction and can now address their respective markets and target groups in an even more focused and effective manner.

H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT: "LGT's results for the first half of 2022 are testament to the strength and breadth of our international client business, and thanks to our highly committed employees, we are also well equipped to deal with today's changing environment. In an uncertain world and with unpredictable markets, our priority is to put LGT's comprehensive investment and – in particular – our sustainability expertise to work for our clients as recent geopolitical and economic developments underscore the importance of sustainable solutions."

LGT in brief

LGT is a leading international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family for over 90 years. As at 30 June 2022, LGT managed assets of CHF 284.7 billion (USD 297.4 billion) for wealthy private individuals and institutional clients. LGT employs over 4500 people who work out of more than 20 locations in Europe, Asia, the Americas, Australia and the Middle East. www.lgt.com

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Key figures as per 30.06.2022

	01.01. - 30.06.2022	01.01. - 30.06.2021	Change in %
Consolidated income statement (in CHF m)			
Net interest income and credit losses	138.2	101.9	35.5
Income from services	784.6	692.0	13.4
Income from trading activities and other operating income	128.4	159.5	-19.5
Total operating income	1 051.2	953.4	10.2
Personnel expenses	582.1	562.6	3.5
Business and office expenses	159.6	127.7	25.0
Total operating expenses	741.6	690.2	7.4
Depreciation, amortization and provisions	60.4	56.8	6.4
Tax and minority interests	32.0	25.9	23.7
Group profit	217.2	180.6	20.2
Net asset inflow (in CHF bn)	6.2	14.1	
Asset growth from acquisition of Crestone (in CHF bn)	15.6		
	30.06.2022	31.12.2021	
Assets under management (in CHF bn)	284.7	285.8	-0.4
Total assets (in CHF bn)	57.3	52.9	8.3
Group equity capital (in CHF m)	5 976	6 047	-1.2
Ratios (in %)			
Cost/income ratio	70.6%	75.2%	
Tier 1 ratio	18.4%	22.1%	
Liquidity Coverage Ratio	209.9%	168.1%	
Headcount	4 529	4 114	10.1
Rating Moody's/Standard & Poor's for LGT Bank Ltd.	Aa2/A+	Aa2/A+	

The half-year figures are unaudited.