



Press release

LGT reports significantly higher revenues and profits in the first half of 2018

Vaduz, 28 August 2018. **LGT, the international private banking and asset management group owned by the Princely House of Liechtenstein, reported a rise in group profit of 15% to CHF 174.8 million in the first half of 2018. This reflects broad-based earnings revenue growth of 17% to CHF 830.7 million, to which the acquisitions successfully integrated last year made a healthy contribution. Net asset inflows amounted to CHF 5.0 billion, which corresponds to an annualized growth rate of 5%. Assets under management rose to CHF 206.0 billion.**

In the first half of 2018, the market environment remained challenging and was influenced by uncertainties regarding the future developments in global trade. LGT's business performance benefited from a broad earnings base, which was further strengthened last year by acquisitions. Revenues and expenses for the private banking business in Asia and the Middle East acquired from ABN AMRO have been reflected in LGT's results since May 2017, while those of the London and Paris-based private debt manager European Capital Fund Management have been reflected since June 2017.

As a result of solid organic growth and the successful integration of the acquisitions, LGT's total operating income rose to CHF 830.7 million in the first half of 2018, an increase of 17% compared to the first half of 2017. Income from services recorded a healthy rise of 18% to CHF 541.8 million, which is attributable to the larger asset base and favorable growth in the advisory and brokerage business. Net interest and similar income rose 39% to CHF 138.8 million, supported in particular by the higher business volumes in Asia. Income from trading activities and other operating income remained stable at CHF 150.0 million.

Total operating expenses also reflected the organic and acquisitions-related expansion of the business and rose 15% to CHF 593.9 million during the period under review. Personnel expenses increased 13% to CHF 445.4 million due to the larger employee base and higher performance-related compensation accruals. Business and office expenses rose 20% to CHF 148.5 million. Depreciation, amortization and provisions increased 47% to CHF 39.1 million, reflecting higher acquisition-related amortization as well as lower provision releases compared to the prior year period.

The cost-income ratio improved from 74.1% as at 31 December 2017 to 71.5% as at 30 June 2018. Overall, group profit totaled CHF 174.8 million in the first six months of 2018, compared to CHF 151.8 million (+ 15%) in the first half of 2017.

LGT is very well capitalized with the tier 1 capital ratio at 18.7% as at 30 June 2018, and has a high level of liquidity.

Solid net asset inflows

LGT once again reported solid net asset inflows of CHF 5.0 billion in the first half of 2018, which corresponds to an annualized organic growth rate of 5%. While net inflows in Private Banking remained practically unchanged from the very high levels in the previous periods, inflows to Asset Management decreased during the period under review, which was in part due to an inflow of CHF 2.6 billion from the final closing of a private equity fund in the prior year period.

Compared to the end of 2017, assets under management increased CHF 4.2 billion or 2% to CHF 206.0 billion as at the end of June 2018.

Outlook

LGT is confident that it will achieve further profitable growth in the second half of 2018 with its broad-based international business.

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT: "LGT has more than doubled its assets under management in the last six years to significantly over CHF 200 billion. I am pleased that we once again recorded healthy net new asset inflows in the first half of 2018 while at the same time further increasing our revenues and profitability. With our focused, long-term strategy and our broad-based business model we remain very well positioned to create sustainable value for clients, employees, our owner and society at large."

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 80 years. As per 30 June 2018, LGT managed assets of CHF 206.0 billion (USD 207.5 billion) for wealthy private individuals and institutional clients. LGT employs over 3000 people who work out of more than 20 locations in Europe, the Americas, Asia and the Middle East. www.lgt.com

Your contact

Christof Buri

Head Group Marketing & Communications

Phone +423 235 23 03

lgt.media@lgt.com

Key figures as of 30.06.2018

	30.06.2018	30.06.2017	Change (in %)
Consolidated income statement (in CHF m)			
Net interest and similar income	138.8	100.2	38.6
Income from services	541.8	458.8	18.1
Income from trading activities and other operating income	150.0	148.9	0.7
Total operating income	830.7	707.9	17.3
Personnel expenses	445.4	393.4	13.2
Business and office expenses	148.5	124.1	19.6
Total operating expenses	593.9	517.5	14.8
Depreciation, amortization and provisions	39.1	26.6	46.9
Tax and minority interests	22.9	12.0	91.2
Group profit	174.8	151.8	15.2
Net asset inflow (in CHF bn)	5.0	9.6¹	-48.0
Asset growth from acquisitions (in CHF bn)	-	18.2²	
	30.06.2018	31.12.2017	
Assets under management (in CHF bn)	206.0	201.8	2.1
Total assets (in CHF bn)	41.4	41.9	-1.1
Group equity capital (in CHF m)	4 151	4 113	0.9
Ratios (in %)			
Cost/income ratio	71.5%	74.1%	
Tier 1 ratio	18.7%	18.8%	
Liquidity Coverage Ratio	212.5%	237.7%	
Headcount	3 283	3 188	3.0
Rating Moody's/Standard & Poor's for LGT Bank Ltd.	Aa2/A+	Aa2/A+	

¹ Without acquisitions

² Acquisitions: ABN AMRO Private Banking in Asia and the Middle East as of May 2017 and European Capital Fund Management as of June 2017