



## Media Release

### **LGT reports excellent results: strong net asset inflows and significant increase in profits in 2017**

Vaduz, 12 March 2018. **LGT, the international private banking and asset management group owned by the Princely House of Liechtenstein, reported strong net asset inflows and a significant increase in profits for the 2017 financial year. Group profit for the full year rose 23% to CHF 283.4 million. Net asset inflows, excluding acquired assets, amounted to CHF 17.7 billion, which corresponds to organic growth of 12%. As at the end of 2017, assets under management increased by a total of 33% to CHF 201.8 billion.**

LGT reported very good results in all regions and business areas for the 2017 financial year, attributable to both continued organic growth as well as successful acquisitions. Significant contributors to growth were the ABN AMRO private banking business in Asia and the Middle East, which was integrated into LGT as of May 2017, and the London and Paris-based private debt manager European Capital Fund Management, integrated in June 2017. The UK-based wealth management boutique LGT Vestra, which has been part of LGT since mid-2016, also made a healthy contribution to growth.

Total operating income rose 27% to CHF 1.53 billion in 2017. As a result of the increased asset base, higher levels of client activity in a good stock market environment as well as good investment performance by LGT Capital Partners, income from services rose 22% to CHF 1.01 billion. Net interest and similar income increased 33% to CHF 228.4 million. Income from trading activities and other operating income increased 41% to CHF 295.6 million; a one-off contribution from the sale of a private equity stake in the first half of the year is also reflected in this result.

Personnel expenses rose 28% to CHF 858.4 million in 2017. This reflects an increase in staff levels of over 550 employees in the course of the year, of which around 240 are attributable to organic growth, as well as higher performance-related compensation, which was partly offset both in the year under review and the previous year by pension plan effects. Business and office expenses rose 22% to CHF 275.0 million as a result of the growth of the business. Depreciation, amortization and provisions increased 36% to CHF 75.8 million, primarily due to acquisitions. Total operating expenses rose 27% to CHF 1.13 billion.

The cost-income ratio was maintained at approx. 74%. Overall, group profit rose to CHF 283.4 million, which corresponds to an increase of 23% compared to 2016.

LGT is very well capitalized with the tier 1 capital ratio at 18.8% as at 31 December 2017 and has a high level of liquidity.

#### **Record net asset inflows and assets under management**

LGT had record net asset inflows of CHF 17.7 billion in 2017, which corresponds to an organic growth rate of 12%. Both business areas and all regions contributed to this positive result.

Assets under management rose by CHF 49.7 billion or 33% to CHF 201.8 billion compared to the end of 2016. This includes CHF 18.3 billion in assets under management from the acquired ABN AMRO private banking business and from the business of European Capital Fund Management. Of total assets under management, over one-quarter was attributable to the asset management business as at year-end. This underscores LGT's position as one of the leading providers both in private banking as well as in the alternative investments space.

### **£10 billion of assets under management in ten years for LGT Vestra**

The London-based wealth management boutique, LGT Vestra LLP reported £10 billion of assets under management at the end of December 2017. This was a significant milestone for the firm to achieve, just under 10 years from inception in 2007/2008. LGT Vestra reached its first £1 billion of new assets under management in October 2009 and since then has compounded assets under management by 26% per annum. In 2017 alone, LGT Vestra attracted £2 billion of new assets.

### **Strategy and outlook**

Over the last few years LGT has achieved extraordinarily strong growth, organically and through strategic acquisitions, in both of its business areas – private banking and asset management. In private banking, LGT has built a loyal client base in Europe, Asia, the Middle East and Latin America, which is served out of Liechtenstein, Switzerland, Austria, the United Kingdom, Singapore, Hong Kong and Dubai. The asset management business serves a global institutional client base that is invested mainly in alternative asset classes and multi-asset products. LGT's strong market position in attractive and well diversified client markets and asset classes provides a high level of stability and good growth prospects for the established core business. The healthy profitability of both business segments in combination with LGT's strong capitalization will allow for substantial future investments in the client experience, expansion of distribution, broadening and deepening of investment competencies as well as in the rapidly progressing standardization and digitalization of the bank's overall processes.

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT: "2017 was an exceptionally good year for LGT. These results reflect that LGT is strengthening its position as a leading private banking and asset management provider, and the fact that we have taken advantage of market opportunities and further improved the quality of our business. We will continue to pursue our long-term growth strategy judiciously in the future. Thanks to our dedicated employees, unique culture, efficient processes, high level of investment expertise, as well as our stable ownership structure and capital base, we are very well positioned to create value for our clients."

### **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 31 December 2017, LGT managed assets of CHF 201.8 billion (USD 207.0 billion) for wealthy private individuals and institutional clients. LGT employs over 3000 people who work out of more than 20 locations in Europe, Asia, the Americas and the Middle East. [www.lgt.com](http://www.lgt.com)

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## Key figures as per 31.12.2017

	31.12.2017	31.12.2016	Change (in %)
<b>Consolidated income statement (in CHF m)</b>			
Net interest and similar income	228.4	172.3	32.5
Income from services	1 005.1	823.9	22.0
Income from trading activities and other operating income	295.6	210.0	40.8
<b>Total operating income</b>	<b>1 529.2</b>	<b>1 206.2</b>	<b>26.8</b>
Personnel expenses	858.4	670.5	28.0
Business and office expenses	275.0	224.9	22.3
<b>Total operating expenses</b>	<b>1 133.3</b>	<b>895.4</b>	<b>26.6</b>
Depreciation, amortization and provisions	75.8	55.6	36.3
Tax and minority interests	36.7	25.2	45.4
<b>Group profit</b>	<b>283.4</b>	<b>230.0</b>	<b>23.2</b>
<b>Assets under management (in CHF bn)</b>			
	<b>201.8</b>	<b>152.1</b>	<b>32.7</b>
<b>Net asset inflow (in CHF bn)<sup>1</sup></b>			
	<b>17.7</b>	<b>11.7</b>	<b>51.6</b>
<b>Asset growth from acquisitions (in CHF bn)<sup>2</sup></b>			
	<b>18.3</b>	<b>8.0</b>	
<b>Total assets (in CHF bn)</b>			
	<b>41.9</b>	<b>35.8</b>	<b>17.2</b>
<b>Group equity capital (in CHF m)</b>			
	<b>4 113</b>	<b>3 643</b>	<b>12.9</b>
<b>Ratios (in %)</b>			
Cost/income ratio	74.1%	74.2%	
Tier 1 ratio	18.8%	20.2%	
Liquidity Coverage Ratio	237.7%	191.0%	
<b>Headcount</b>			
	<b>3 188</b>	<b>2 632</b>	<b>21.1</b>
<b>Rating Moody's/Standard &amp; Poor's for LGT Bank Ltd.</b>			
	<b>Aa2/A+</b>	<b>Aa2/A+</b>	

<sup>1</sup> Without acquisitions

<sup>2</sup> Acquisitions: LGT Vestra as of June 2016, ABN AMRO Private Banking in Asia and the Middle East as of May 2017 and European Capital Fund Management as of June 2017