



LGT Group posts net profit of CHF 94 million for the first half of 2009

Vaduz, 27 August, 2009. **LGT Group, which is active in international wealth and asset management and is domiciled in Vaduz, mastered the first half-year of 2009 well, although the business environment continued to be challenging. For the period ending 30 June, 2009, it attained a net profit of CHF 94 million (down 24% compared with the first half of 2008 and up 133% compared with the second half of 2008). With the sale of its trust business effective 1 January, 2009, and the acquisition of Dresdner Bank (Switzerland) Ltd. announced on 27 July, 2009, the company successfully continues its strategy of focusing on its core business and of international growth. In Liechtenstein, LGT Group registered asset outflows which, however, were partly offset by inflows at the Group's international business locations. Assets under management were increased to CHF 79.0 billion since year-end 2008.**

The first half of 2009 continued to be marked by the financial crisis and its effects on the real economy. In this volatile and uncertain environment, LGT Group achieved a good result. Despite the lower asset base compared with the same period in the previous year, and the sale of its trust business which was realized with retroactive effect to 1 January 2009, total operating income was down by only 9% to CHF 393 million. Thereby income from services and commissions was reduced by 32%, whereas interest income rose by 74%, even though the Group continued to pursue its conservative risk policy. Income from trading activities and other income rose by 21%.

Operating expenses were reduced by 7% to CHF 269 million, whereby personnel expenses were scaled back by 10% while business and office expenses increased slightly by 1%. Apart from the sale of the trust business, this development is largely attributable to strict cost management. The cost/income ratio remained unchanged at 68%.

LGT Group's net profit amounted to CHF 94 million for the first half of 2009, compared with CHF 123 million (down 24%) attained in the first six months of 2008. The company has a sound and healthy balance sheet, a high level of liquidity and solid capitalization. The tier 1 ratio stood at 17.7% as of 30 June 2009 compared with 16.5% at the end of 2008.

Healthy asset inflows in the onshore markets and in asset management

Client assets under management were increased from CHF 78.0 billion at the end of last year to CHF 79.0 billion at the end of the first-half 2009 – excluding the client assets of CHF 9.4 billion acquired with Dresdner Bank (Switzerland) Ltd. As expected, the after-effects of the tax debate and the sale of the trust business led to asset outflows in Liechtenstein. These were partly offset by healthy inflows at LGT's international business locations and in asset management. In total, a net outflow of CHF 1.6 billion was registered.

Focus on core business and continuation of growth strategy in international business

With the sale of its trust business, LGT Group completed the refocusing on its core business during the reporting period. With the acquisition announced on 27 July, 2009, of Dresdner Bank (Switzerland) Ltd. – with client assets of CHF 9.4 billion – LGT Group continues to push ahead steadily with its strategy of geographic diversification and international growth that was launched ten years ago. This acquisition, which is expected to be closed in the fourth quarter of 2009, will double LGT Group's asset base in Switzerland. It not only strengthens the Swiss onshore business, but also expands market shares in the Group's targeted growth markets in the Middle East, Central and Eastern Europe, and Latin America.

H.S.H. Prince Max von und zu Liechtenstein, CEO of LGT Group: „In the first half-year we have been able to significantly strengthen our strategic positioning, thereby decisively improving the prerequisites for further growth and increased profitability. Through the sale of the trust business we have focused the Group strategically, and the acquisition of Dresdner Bank (Switzerland) Ltd. will enable us to expand our market shares in some of our key target markets. In both operative and qualitative terms, we have achieved good progress thanks to an array of measures. Our pleasing first-half results were made possible thanks to the great dedication and commitment of our staff, as well as our consistent and conservative business strategy and financing structure. Our private ownership structure, which is geared to the long term, has provided us with the necessary stability and strength over the last eighteen months to achieve sustained and successful growth with our clients in international wealth and asset management.“

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LGT Group

LGT Group is an internationally active wealth & asset management firm domiciled in Vaduz, Liechtenstein. The company has been owned for almost eighty years by the Princely House of Liechtenstein. With around 1,700 employees, LGT Group is represented at 29 locations in Europe, Asia and the Middle East. At 30 June, 2009, LGT Group managed assets of CHF 79.0 billion. www.lgt.com

LGT Group

	30.06.2009	30.06.2008	Change	
	CHF m	CHF m	CHF m	%
Income statement				
Net interest income	100.3	57.5	42.8	74.4
Commission and service income	208.2	304.1	-95.9	-31.5
Trading and other income	84.7	70.3	14.4	20.5
Total operating income	393.2	431.9	-38.7	-9.0
Personnel expenses	192.5	214.0	-21.5	-10.1
Business and office expenses	76.7	75.9	0.8	1.1
Total operating expenses	269.2	289.9	-20.7	-7.1
Value adjustments / depreciation / provisions	19.1	5.3	13.8	260.3
Taxes / minority interests	11.3	14.2	-2.9	-20.4
Net profit of LGT Group	93.6	122.5	-28.9	-23.6
	30.06.2009	31.12.2008	Change	
Assets under administration (in CHF bn)	79.0	78.0	1.0	1.3
Net asset inflow (in CHF bn) (1 January – 30 June)	-1.6	0.3	-1.9	
Total assets (in CHF bn)	24.4	22.8	1.6	7.0
Equity capital	2633	2486	147	5.9
Ratios (in percent)				
Tier 1 ratio	17.7	16.5		
Cost / income ratio	68	68		
Headcount	1732	1870	-138	-7.4
Rating Moody's / Standard & Poor's for LGT Bank in Liechtenstein Ltd.	Aa3/A+	Aa3/A+		