



Media release

## **LGT reports sharp rise in profit and strong net asset inflows in 2022**

Vaduz, 20 March 2023. **LGT, the international Private Banking and Asset Management group owned by the Princely Family of Liechtenstein, continued to grow profitably in the challenging financial year 2022, increasing Group profit 19% to CHF 420.8 million. Despite an uncertain environment, LGT recorded net asset inflows of CHF 17.1 billion, reflecting a growth rate of 6%. Assets under management increased slightly year on year and amounted to CHF 287.2 billion. LGT is well positioned to achieve further solid growth in 2023 and offer its clients tailored investment solutions for every market scenario.**

While geopolitical uncertainties and a turbulent market environment dampened client activity in 2022, the move by central banks to increase interest rates generated positive momentum. In this environment, LGT continued to be a stable partner enjoying the trust of both existing and new clients, which is reflected in the Group's strong results for the 2022 financial year. The acquisition of Australian wealth manager Crestone and the Indian wealth management business of Validus Wealth are reflected in LGT's results since 12 May 2022 and 19 August 2022, respectively.

Income from services remained stable at CHF 1.59 billion in 2022 despite subdued client activity, with brokerage and performance fees remaining at high levels, albeit slightly below the strong result in 2021. Net interest income rebounded strongly to CHF 390.0 million following the end of the protracted negative interest rate environment, also reflecting significantly higher customer deposits. Income from trading activities and other operating income picked up in the second half of the year and reached CHF 328.7 million for the full year, 5% lower than a year before. Overall, total operating income increased 8% to CHF 2.31 billion.

Personnel expenses were almost unchanged at CHF 1.32 billion, reflecting organic growth and the acquisition of Crestone, as well as lower accruals for long-term performance-related compensation. Business and office expenses increased 21% to CHF 364.5 million on the back of higher investments in IT and digitalization, increased expenses for travel, marketing and events, as well as project and consulting costs. Total operating expenses rose 5% overall to CHF 1.68 billion.

The cost-income ratio improved 2.3 percentage points to 72.9% as at 31 December 2022. Group profit was CHF 420.8 million, up 19% compared with 2021. LGT is very well capitalized with a tier 1 capital ratio of 19.1% as at the end of 2022 and has a high level of liquidity.

### **Strong net asset inflows of CHF 17.1 billion**

Clients' confidence in LGT was reflected in continued strong net asset inflows of CHF 17.1 billion, which corresponds to an organic growth rate of 6%. Assets under management were CHF 287.2 billion as at 31 December 2022, compared with CHF 285.8 billion as at 31 December 2021, with negative market performance and foreign currency effects offset by strong net asset inflows and asset growth of CHF 16.6 billion from the acquisitions of Crestone and Validus Wealth.

## Strategy and outlook

LGT will continue to consistently execute its strategy, and it is confident that it will achieve further solid growth while offering clients tailored investment solutions for every market scenario. The Group will thereby build on its professional teams of relationship managers and investment specialists in Europe, Asia, the Americas, Australia and the Middle East, and its comprehensive range of investment solutions with a strong focus on sustainable offerings.

In the UK, one of the Group's core markets, LGT Private Banking further strengthens its position with the acquisition of abrdn's discretionary fund management business as announced at the end of February 2023. In the important private banking market Germany, LGT opened its first location in Hamburg in October 2022, with more openings planned by the end of 2023. The business in Austria has seen sustained growth since the acquisition of UBS's local wealth management business completed in 2021. With the new EMEA-wide governance structure that came into effect at the beginning of 2023, LGT Private Banking has enhanced its organization, better positioning it to effectively manage further profitable growth. In Asia-Pacific, LGT expanded its presence in 2022 with the acquisition of Crestone, a leading Australian wealth manager that is now operating as LGT Crestone. The wealth management locations opened in Thailand in 2019 and Japan in 2021 saw an encouraging development and already made healthy contributions to Private Banking's net asset inflows. The same applies for India, where LGT acquired the business of Validus Wealth and operates as LGT Wealth India. LGT Capital Partners also opened two new international locations last year, one in the U.S. in San Francisco, and one in Luxembourg, one of the most important hubs in Europe for the institutional fund business.

As an international financial services group, LGT has an ambitious sustainability strategy and is continuously expanding its range of sustainable investment solutions for clients. Last year, LGT launched a new advisory offering with sustainable investment solutions to complement its sustainability-focused portfolio management mandates. In 2022, LGT was once again recognized for its efforts in the area of sustainable investing, receiving a number of awards including "Best Private Bank for Sustainable Investing in Western Europe" from Global Finance Magazine, and "Best Private Bank in Europe for Philanthropy Services" presented by the prestigious PWM/The Banker Global Private Banking Awards.

H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT: "Despite the many challenges, LGT delivered exceptionally good results in 2022, which enables us to further invest in strengthening our business. I would like to thank our employees for their strong commitment throughout the year, and our clients for their continued trust. We also made significant progress in delivering against our strategy, and expanded our international presence in key locations. In addition, we further invested in digitalization and expanding our investment solutions, and in sustainability at all levels. We will continue our efforts in all of these areas in 2023."

**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 31 December 2022, LGT managed assets of CHF 287.2 billion (USD 310.4 billion) for wealthy private individuals and institutional clients. LGT employs over 4900 people who work out of more than 25 locations in Europe, Asia, the Americas, Australia and the Middle East. [www.lgt.com](http://www.lgt.com)

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## Key figures as per 31.12.2022

	31.12.2022	31.12.2021	Change in (in %)
<b>Consolidated income statement (in CHF m)</b>			
Net interest income and credit losses	390.0	204.5	91
Income from services	1 590.2	1 582.2	1
Income from trading activities and other operating income	328.7	345.5	-5
<b>Total operating income</b>	<b>2 308.9</b>	<b>2 132.2</b>	<b>8</b>
Personnel expenses	1 318.1	1 302.0	1
Business and office expenses	364.5	302.4	21
<b>Total operating expenses</b>	<b>1 682.5</b>	<b>1 604.4</b>	<b>5</b>
Depreciation, amortization and provisions	138.4	124.6	11
Tax and minority interests	67.1	50.4	33
<b>Group profit</b>	<b>420.8</b>	<b>352.8</b>	<b>19</b>
<b>Assets under management (in CHF bn)</b>			
	<b>287.2</b>	<b>285.8</b>	<b>0</b>
<b>Net asset inflow (in CHF bn)</b>			
	<b>17.1</b>	<b>24.8</b>	
<b>Asset growth from acquisitions (in CHF bn)<sup>1</sup></b>			
	<b>16.6</b>	<b>4.5</b>	
<b>Total assets (in CHF bn)</b>			
	<b>61.1</b>	<b>52.9</b>	<b>16</b>
<b>Group equity capital (in CHF m)</b>			
	<b>6 022</b>	<b>6 047</b>	<b>-0</b>
<b>Ratios (in %)</b>			
Cost/income ratio	72.9%	75.2%	
Tier 1 ratio	19.1%	22.1%	
Liquidity Coverage Ratio	229.0%	168.1%	
<b>Headcount</b>			
	<b>4 913</b>	<b>4 114</b>	<b>19</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> Acquisition of Australian wealth manager Crestone as of 12 May 2022 and acquisition of Indian wealth manager Validus Wealth as of 19 August 2022.

Final Audit: 26 April 2023