



Annual Report 2022

LGT Group



| Forward-looking
for generations

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Despite the many challenges, LGT delivered exceptionally good results in 2022, which enables us to further invest in strengthening our business.

H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT

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LGT at a glance

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, Australia, the Americas and the Middle East.

Business areas

LGT Private Banking

Wealth management services for private clients, including:

- Investment advice and portfolio management
- Trading advice and execution
- Loan and credit facilities
- Philanthropy advisory and impact investing
- Wealth planning and family governance

Headquartered in Liechtenstein, LGT is present in Australia, Austria, Bahrain, Germany, Hong Kong, India, Ireland, Japan, Singapore, Switzerland, Thailand, the United Arab Emirates and the United Kingdom. These platforms have the principal focus of addressing the specific needs of wealthy private clients and offer access to state-of-the-art investment services. LGT also manages the financial investments of the Liechtenstein Princely Family.

LGT Asset Management – LGT Capital Partners

Discretionary investment management of institutional client mandates and investment funds (operating under the LGT Capital Partners brand)

LGT Capital Partners is a leading alternative investment specialist with more than 600 institutional clients in 43 countries. An international team of over 700 professionals is responsible for managing a wide range of investment programs focusing on private markets, liquid alternatives and multi-asset class solutions. Headquartered in Pfäeffikon (SZ), Switzerland, the firm has offices in Australia, China, France, Germany, Hong Kong, Ireland, Japan, Liechtenstein, Luxembourg, the United Arab Emirates, the United Kingdom and the United States.

Organization of LGT Group

LGT Private Banking, LGT Capital Partners and Lightrock established operational independence in 2021, enabling the companies to define their own strategic direction, and address their respective markets and target groups in an even more focused and effective manner. A Group holding structure will remain in place for LGT Private Banking and LGT Capital Partners until further notice.

In June 2022, LGT Private Banking created a Group-level governance structure for Europe, the Middle East and Africa, with the aim of strengthening collaboration in this region and managing further profitable growth more effectively. This structure took effect on 1 January 2023.

Long-term strategy and corporate philosophy

LGT's private ownership and efficient governance facilitate quick and independent decision-making based on a long-term perspective with regard to corporate strategy and development. For more than 20 years, LGT has pursued two strategic priorities: the international expansion and diversification of its private banking business, as well as the establishment of outstanding global investment capabilities to serve the needs of the Liechtenstein Princely Family and of institutional and private clients. To maximize the alignment of interests between LGT's clients, employees and the shareholder, an important part of LGT's philosophy has been that the Princely Family and employees co-invest in a substantial manner alongside clients. In a world of growing social and environmental pressures, LGT looks to create value for both the business and society – ideally increasing growth and profits while at the same time having a positive impact for the principal stakeholders, society and the environment.

Thinking and acting sustainably has always been a top priority for LGT. As a company, LGT believes it is responsible for the social and environmental impact of its business activities. As an intermediary between investors and capital-seeking businesses and organizations, it strives to ensure that capital is invested sustainably from both an environmental and a social perspective. LGT also makes responsible use of the resources needed to conduct its business and encourages its suppliers to manufacture their products in a sustainable manner.



Conservative balance sheet – financial stability

LGT has a healthy balance sheet, a high level of liquidity and is very well capitalized. Its equity capital is substantially above the regulatory requirements and reflects the financial strength of the company in international comparison. LGT Bank Ltd. is one of the world's few international private banks to have its creditworthiness assessed by independent rating agencies such as Standard & Poor's (A+) and Moody's (Aa2).

Organizational structure

December 2022

Foundation Board

H.S.H. Prince Max von und zu Liechtenstein, Chairman^{1,2}
H.S.H. Prince Hubertus von und zu Liechtenstein^{1,2}
K B Chandrasekar^{3,4,5}
Karen Fawcett^{3,4}
Mark Jordy
Prof. Dr. Conrad Meyer^{3,4}
Dr. Peter Nussbaum⁶
Thomas Piske^{1,2}

Senior Management Board

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT
Olivier de Perregaux, CFO LGT
Dr. André Lagger, CEO LGT Financial Services
Dr. Roberto Paganoni, CEO LGT Capital Partners
Thomas Piske

Internal Audit

Daniel Hauser, Head Group Internal Audit

External Audit

PricewaterhouseCoopers AG, Zurich

April 2023

Foundation Board

H.S.H. Prince Max von und zu Liechtenstein, Chairman^{1,2}
H.S.H. Prince Hubertus von und zu Liechtenstein^{1,2}
Karen Fawcett^{1,2,3,4}
Mark Jordy
Prof. Dr. Conrad Meyer^{3,4}
Dr. Peter Nussbaum
Thomas Piske^{1,2}

Group Management Committee

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT
Michael Bürge, CFO LGT
Olivier de Perregaux, CEO LGT Private Banking
Dr. Roberto Paganoni, CEO LGT Capital Partners
Werner von Baum, CRO LGT Capital Partners

Internal Audit

Daniel Hauser, Head Group Internal Audit

External Audit

PricewaterhouseCoopers AG, Zurich

¹ Member of the HR Nomination Committee

² Member of the HR Compensation Committee

³ Member of the Audit Committee

⁴ Member of the Risk Committee

⁵ Until 31 December 2022

⁶ Since 1 February 2022

Financial highlights

		2022	2021	2020	2019	2018
Assets under administration	CHF million	287 200	285 802	240 705	227 892	198 243
Net new assets	CHF million	33 760	29 254	11 584	13 856	6 757
of which net new money	CHF million	17 139	24 758	11 584	13 856	6 757
of which through acquisition	CHF million	16 621	4 496	0	0	0
Total operating income	CHF million	2 309	2 132	1 853	1 818	1 676
Group profit	CHF million	421	353	292	308	314
Appropriation of Foundation earnings and dividends	CHF million	-144¹	-285	-135	-145	-125
Group equity capital	CHF million	6 022	6 047	4 837	4 619	4 112
Total assets	CHF million	61 105	52 876	49 870	49 438	43 444
Ratios						
Tier 1	%	19.1	22.1	21.9	19.9	17.6
Cost/income ratio	%	72.9	75.2	75.0	74.1	74.0
Liquidity coverage ratio	%	229.0	168.1	221.6	218.3	203.3
Headcount at 31 December		4 913	4 114	3 838	3 662	3 405
Rating²						
Moody's		Aa2	Aa2	Aa2	Aa2	Aa2
Standard & Poor's		A+	A+	A+	A+	A+

¹ Proposed

² LGT Bank Ltd., Vaduz

Chairman's report

LGT continued to grow profitably in 2022, against the backdrop of financial market uncertainty. In this environment, LGT remained a stable partner, enjoying the trust of both existing and new clients. This is reflected in the Group's strong results for the 2022 financial year. 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. 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 percent lower than a year before. Overall, total operating income increased 8 percent to CHF 2.31 billion.

Personnel expenses were almost unchanged at CHF 1.32 billion, reflecting organic growth and the acquisition of Australian wealth manager Crestone, as well as lower accruals for long-term performance-related compensation. Business and office expenses increased 21 percent 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 percent overall to CHF 1.82 billion.

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

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LGT has an ambitious sustainability strategy and is continuously expanding its range of sustainable investment solutions for clients.

H.S.H. Prince Max von und zu Liechtenstein,
Chairman LGT

performance and foreign currency effects offset by strong net asset inflows and asset growth of CHF 16.6 billion from the acquisition of Crestone and the acquisition of the Indian wealth management business of Validus Wealth.

Private banking

LGT continued to pursue international growth and diversification in Private Banking in 2022. With locations in Switzerland, the United Kingdom, Singapore, Hong Kong, Liechtenstein, Austria, the United Arab Emirates and Japan, it focuses on attractive private banking hubs with access to growing markets. In 2022, LGT established a subsidiary in Germany and opened a Private Banking office in Hamburg, following regulatory approvals. The acquisition of Crestone Wealth Management in Australia and the acquisition of Validus Wealth in India were closed during 2022 and are reflected in the financial results.



H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT (right) and Olivier de Perregaux, CEO LGT Private Banking

As a result of its business significantly increasing in size and substance in recent years, LGT Private Banking in 2022 created a Group-level governance structure for Europe, the Middle East and Africa. The aim of the Region EMEA, which took effect 1 January 2023, is to strengthen collaboration between the regional units and manage further profitable growth more effectively.

Asset management

LGT's asset management business caters to international institutional clients who are primarily invested in alternative asset classes and multi-asset products, as well as to private clients of LGT Private Banking. It executes its investment strategies through direct investments with internal teams as well as leading external managers. In 2022, the business reported continued positive net asset inflows, as demand from both institutional and private investors remained high, especially for private markets invest-

ments. Driven by net asset inflows, assets under management remained stable in a challenging market environment. LGT Capital Partners expanded its global investment hubs and distribution platform throughout the year and continued to hire. During 2022, it also accelerated its efforts for ESG implementation across the liquid and private markets investment platform.

Impact of global events

2022 brought major economic and geopolitical challenges. The war in Ukraine took a tragic human toll. The conflict caused a surge in energy prices. Global inflation spiked, as demand rose sharply after COVID-19 restrictions were eased, and bottlenecks in supply chains persisted.

The war in Ukraine directly impacted the performance of certain client portfolios. LGT Group has not suffered credit losses as a

result of the war. Its lending policies are in line with those of Swiss and Liechtenstein peers. LGT's credit teams remain in ongoing contact with compliance counterparties regarding updates to international sanctions in connection with the Ukraine war.

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 is further strengthening 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. 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 encouraging development and have 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 a new international location in the United States in San Francisco last year, and plans to open one early in 2023 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 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.

Despite the many challenges, LGT delivered exceptionally good results in 2022, which enable us to further invest in strengthening our business. We would like to thank our employees for their strong commitment throughout the year, and our clients for their continued trust. LGT 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.

Sustainability Report

The 2022 LGT Sustainability Report, published at the beginning of May 2023, explains in detail the sustainability targets we are pursuing and the specific measures we implemented during the reporting period. The report can be downloaded from our website or ordered online. www.lgt.com

Corporate governance

LGT and its ultimate parent, LGT Group Foundation, are beneficially owned solely by H.S.H. Reigning Prince Hans-Adam II von und zu Liechtenstein through the Prince of Liechtenstein Foundation (POLF). The POLF appoints the Foundation Board of LGT Group Foundation. The Group's Foundation Board meets at least four times a year and has constituted four separate committees (HR Compensation Committee, HR Nomination Committee, Risk Committee as well as Audit Committee). The committees assist the Foundation Board in fulfilling its oversight responsibilities as required by law and internal or external regulations. Each committee is authorized by the Foundation Board to oversee any activity within its terms of reference.

The HR Compensation Committee reviews the compensation guidelines of the Group, discusses and determines amendments to or the creation of compensation plans and proposes the compensation of the Senior Management Board. The compensation system supervised by the HR Compensation Committee consists of a fixed and a variable compensation component, as well as a long-term incentive scheme (LTIS). As a privately held company, LGT has developed an internal LTIS based on an option scheme. Senior management and other key people are entitled to participate in the LTIS. The LTIS is calculated according to a predefined formula, which primarily includes the result of operating activities and the investment performance of the Princely Portfolio. LTIS options are granted yearly and can be exercised between three to seven years after grant. In addition to direct compensation, the employees have the possibility to co-invest directly in client products. These co-investments are at the full risk/benefit of the subscribing employee.

The HR Nomination Committee defines and reviews the performance appraisal, development and succession plans of the Senior Management Board, discusses and reviews the talent management situation and development of LGT and reviews the personnel and HR risk reporting of LGT.

The activities of the Risk Committee include a periodic review of the general risk limits, risk strategy and framework including an assessment of the risk tolerance/appetite as well as a regular assessment of adequacy of the group-wide risk organization.

The activities of the Audit Committee include the review of financial information, monitoring the adequacy of the system of internal controls and of the compliance framework that management and the Board Members have established. It further reviews legal and regulatory matters that may have a material impact on the Group and monitors the qualifications, independence and performance of the external auditors and Group Internal Audit. The external auditors are re-evaluated on a regular basis.

LGT is subject to consolidated supervision by the Liechtenstein Financial Market Authority (FMA). Companies outside Liechtenstein are supervised by their local authorities.

Although it is a privately held company, LGT aims to follow the standard practices of public companies, and therefore applies a transparent and proactive communication policy. LGT Bank Ltd. has been rated by Moody's and Standard & Poor's since 1997. LGT Group applies International Financial Reporting Standards (IFRS).

Consolidated financial statements of LGT Group





Statutory auditor's report



Statutory auditor's report to the Foundation Supervisory Board of LGT Group Foundation

Vaduz

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of LGT Group Foundation and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2022, the consolidated balance sheet as at 31 December 2022 and the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 21 to 99) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and with the provisions of Liechtenstein law.

Basis for opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 60.2 million

We concluded full scope audit work at 14 reporting units in eight countries. Our audit scope addressed 91% of the Group's operating income and 93% of the Group's net assets. In addition, we have performed analytical procedures over the remaining reporting units.

As key audit matters, the following areas of focus were identified:

- Impairment of loans and advances to customers
- Goodwill impairment assessment
- Valuation of the provisions for operational risk

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	CHF 60.2 million
Benchmark applied	Total equity
Rationale for the materiality benchmark applied	We chose total equity as the benchmark because, in our view, it is the benchmark that best represents the solvency and stability of the Group and it is of major relevance for economic decisions made by the owners, customers and the regulator.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to customers

Key audit matter

We consider the impairment of loans and advances to customers as a key audit matter because they represent the largest item on the consolidated balance sheet. Furthermore, the Foundation Board has significant scope to apply judgement when estimating the present value of future cash flows of loans and advances from the customers.

As of 31 December 2022, the Group has CHF 19.0 billion of outstanding loans and advances to customers, of which 0.1% were assessed as impaired.

Refer to note 13.2 on page 32 (Accounting principles), note 12 on page 46 (Notes) and note 5.6 on pages 94 to 95 (Risk management).

How our audit addressed the key audit matter

We assessed the controls relating to the identification of impaired loans and advances to customers and tested their effectiveness. In particular, we tested the relevant IT-based controls.

Further, we tested a sample of loans and advances to customers with regard to the existence of an impairment event (the moment from which an individual impairment should be recorded). Where an individual impairment had been recorded, we checked whether the Group's forecasts of cash flows from the customers concerned were plausible and consistent with the individual impairment made. In doing so, we challenged the assumptions and compared them with independently obtained information.

We examined a sample of loans and advances to customers for which the Group had not identified an impairment event (by reference to the impairment criteria for loans and advances to customers as set out in the Risk management on pages 94 to 95). We applied our own judgement as to whether the Foundation Board's conclusions were appropriate.

Our audit did not give rise to any objections regarding the impairment of loans and advances to customers.

Goodwill impairment assessment

Key audit matter

We consider the goodwill impairment assessment as a key audit matter because the Foundation Board has significant scope for judgement in estimating the value of the cash-generating units (CGU), in general, and the client asset multiple to be applied, in particular.

Goodwill of CHF 791.6 million is allocated to the CGUs "Business Unit Private Banking" (CHF 758.9 million) and "Business Unit Asset Management" (CHF 32.8 million).

Refer to note 11.1 on page 30 (Accounting principles) and note 19 on page 51 to 52.

How our audit addressed the key audit matter

We assessed whether the Group's approach to identifying the CGUs was appropriate and that the Group correctly allocated goodwill to each of these CGUs.

We benchmarked the Group's assumptions, by comparing its client asset multiples with the client asset multiples of comparable listed organisations. In addition, we estimated independently an appropriate control premium based on recent transactions comparable with the CGUs concerned.

We performed sensitivity analyses on the main assumptions to determine the extent of the change required in them, either individually or collectively, that would cause the goodwill to be impaired.

Our audit did not give rise to any objections regarding the impairment assessment of the intangible assets' goodwill.

Valuation of the provisions for operational risks

Key audit matter

We consider the valuation of the provisions for operational risks as a key audit matter because the Group operates in a regulatory and legal environment that exposes it to the risk of litigation as well as to regulatory proceedings.

The Foundation Board has significant scope for judgement in estimating the provisions for operational risks. This applies in particular to assessing the outcome of litigation and regulatory proceedings against the Group.

As of 31 December 2022, the Group has provisions for operational risks in the amount of CHF 51.6 million.

Refer to note 22 on page 35 (Accounting principles) and note 27 on page 55.

How our audit addressed the key audit matter

We examined the analyses performed by the Group that form the basis for the valuation of the provisions required for the settlement of litigation and regulatory proceedings. The evidence we examined included, in particular, correspondence with external parties.

Further, we used our understanding of the Group's business and our inspection of its business correspondence to assess the completeness of the provisions.

With regard to as yet unidentified risks, we tested a sample of client complaints by inspecting the associated correspondence. In this way, we were able to assess the existence of systematic weaknesses for which provisions might have to be made. We also considered externally available information and assessed its potential implications for the Group.

Our audit did not give rise to any objections regarding the valuation of the provisions for operational risks.

Other information in the annual report

The Foundation Board is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the chairman's report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Foundation Board for the consolidated financial statements

The Foundation Board is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and Liechtenstein law, and for such internal control as the Foundation Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Foundation Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Foundation Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements or, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Foundation Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Foundation Board or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Foundation Board or the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Foundation Board or the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further Information pursuant to Article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the Foundation Supervisory Board on 27 April 2022. We have been the statutory auditor of the Foundation without interruption since the financial year ending 31 December 2001.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

Further, we declare that no prohibited non-audit services pursuant to Article 5 in accordance with Article 10 para. 2 lit. f Regulation (EU) No. 537/2014 Article 5 para. 1 Regulation (EU) No. 537/2014 were provided.

Further Confirmations pursuant to Article 196 PGR

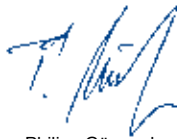
The chairman's report (pages 8 to 10) has been prepared in accordance with the applicable legal requirements, is consistent with the consolidated financial statements and, in our opinion, based on the knowledge obtained in the audit of the consolidated financial statements and our understanding of the Group and its environment does not contain any material misstatements.

We further confirm that the consolidated financial statements comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

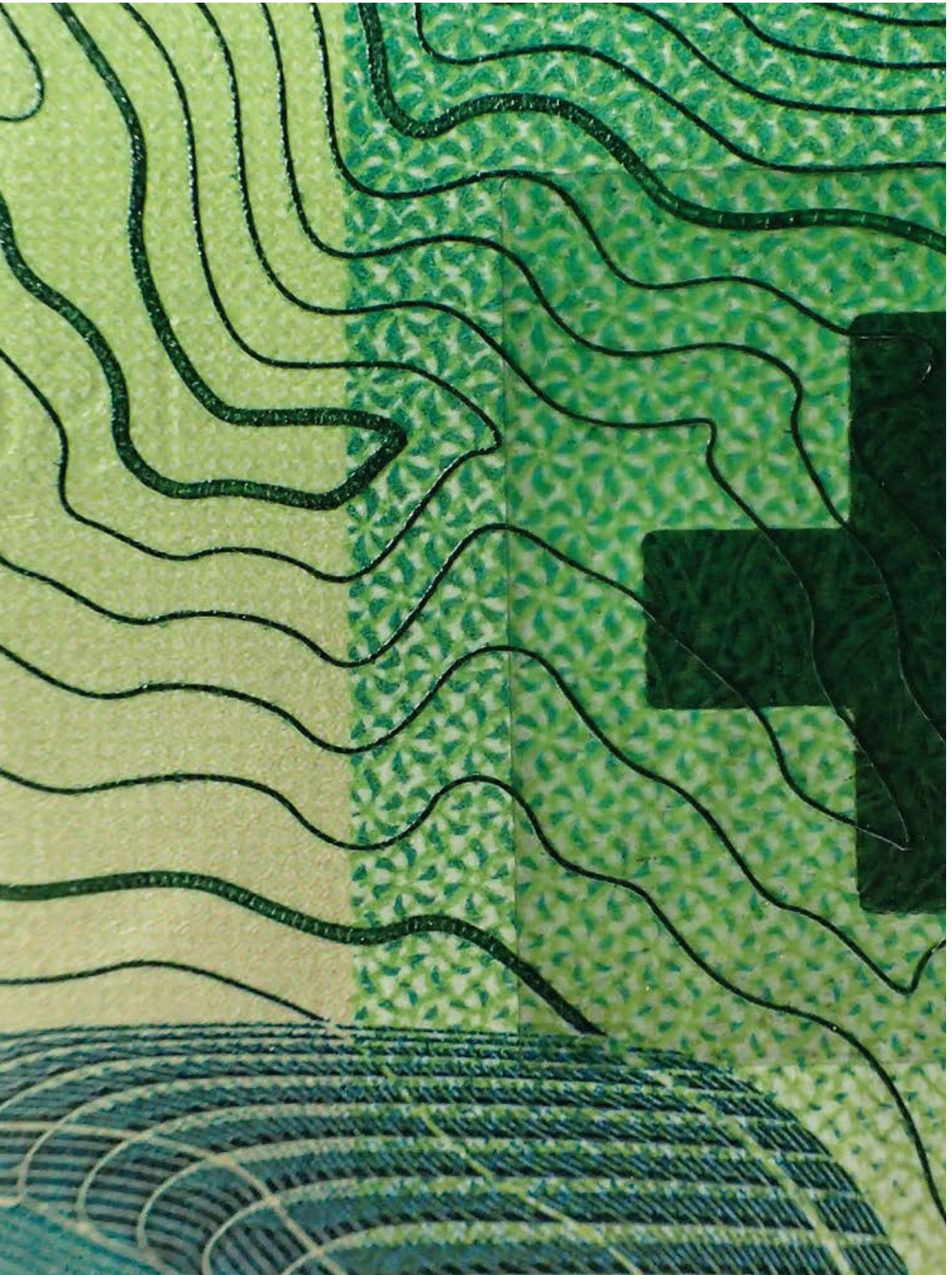


Roman Berlinger
Liechtenstein Certified Public Accountant
Auditor in charge



Philipp Gämperle

Zurich, 26 April 2023



Consolidated income statement

Consolidated income statement (CHF thousands)	Note	2022	2021	Change absolute	Change %
Interest income		829 443	376 720	452 723	120
Interest expense		-458 550	-170 669	-287 880	169
Net interest income	1	370 893	206 050	164 843	80
Credit loss expense/recovery	2	19 154	-1 556	20 710	-1 331
Net interest and credit losses		390 047	204 494	185 553	91
Income from services	3	1 590 159	1 582 192	7 967	1
Income from trading activities	4	315 265	305 980	9 285	3
Other operating income	5	13 419	39 553	-26 134	-66
Total operating income		2 308 890	2 132 219	176 671	8
Personnel expenses	6	-1 318 055	-1 302 033	-16 022	1
Business and office expenses	7	-364 473	-302 409	-62 064	21
Depreciation, amortization and provisions	8	-138 389	-124 639	-13 750	11
Total operating expenses		-1 820 916	-1 729 080	-91 836	5
Operating profit before tax		487 974	403 139	84 834	21
Tax expense	9	-67 189	-50 367	-16 822	33
Profit for the year		420 784	352 772	68 012	19
Attributable to:					
Equity holders of the parent entity		420 848	352 772	68 076	19
Non-controlling interests		-63	1	-64	

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (CHF thousands)	Note	2022	2021	Change absolute	Change %
Profit for the year		420 784	352 772	68 012	19
Other comprehensive income, net of tax					
Other comprehensive income that may be reclassified to the income statement					
Foreign currency translation		-38 077	-7 826	-30 251	387
Changes in value of debt instruments at fair value through other comprehensive income	28	-18 730	4 175	-22 905	-549
Changes in value of cash flow hedge	28	-15 135	-2 457	-12 678	516
Total other comprehensive income that may be reclassified to the income statement		-71 943	-6 108	-65 835	1 078
Other comprehensive income that may not be reclassified to the income statement					
Actuarial gains/losses on defined benefit plans	28	178 925	221 425	-42 500	-19
Changes in value of equity instruments at fair value through other comprehensive income	28	-257 253	775 171	-1 032 423	-133
Total other comprehensive income that may not be reclassified to the income statement		-78 328	996 596	-1 074 924	-108
Total comprehensive income for the year, net of tax		270 514	1 343 259	-1 072 746	-80
Attributable to:					
Equity holders of the parent entity		270 609	1 343 259	-1 072 650	-80
Non-controlling interests		-95	1	-96	

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated balance sheet

Consolidated balance sheet (CHF thousands)	Note	2022	2021	Change absolute	Change %
Assets					
Cash in hand, balances with central banks	10	3 930 402	10 952 202	-7 021 800	-64
Loans and advances to banks	11	15 524 843	5 300 433	10 224 410	193
Loans and advances to customers	12	19 039 653	19 404 758	-365 104	-2
Financial instruments at amortized costs	13	7 049 952	0	7 049 952	-
Securities held for trading purposes	14	1 247 750	1 334 272	-86 522	-6
Derivative financial instruments	33	1 543 753	867 554	676 199	78
Investment securities at fair value	15	9 759 231	12 127 422	-2 368 191	-20
Investments in associates	16	73 284	0	73 284	-
Property and equipment	17	124 033	131 479	-7 445	-6
Right-of-use assets	18	254 733	275 213	-20 480	-7
Intangible assets	19	1 026 688	778 931	247 757	32
Prepayments and accrued income		396 975	414 813	-17 838	-4
Deferred tax assets	9	23 607	63 337	-39 730	-63
Other assets	20	1 109 654	1 225 213	-115 559	-9
Total assets		61 104 559	52 875 628	8 228 931	16
Liabilities					
Amounts due to banks	21	4 533 704	1 720 995	2 812 709	163
Amounts due to customers	22	44 339 919	39 871 882	4 468 037	11
Derivative financial instruments	33	1 749 580	1 011 868	737 712	73
Financial liabilities designated at fair value	23	185 905	252 397	-66 492	-26
Certificated debt	24	2 568 975	2 373 830	195 144	8
Accruals and deferred income		158 630	87 727	70 903	81
Current tax liabilities		57 276	45 278	11 998	26
Deferred tax liabilities	9	52 191	37 167	15 024	40
Lease liabilities	18	254 784	273 410	-18 626	-7
Other liabilities	26	1 114 792	1 079 890	34 902	3
Provisions	27	67 044	74 360	-7 316	-10
Total liabilities		55 082 801	46 828 805	8 253 996	18
Equity					
Foundation capital		339 044	339 044	0	0
Retained earnings		4 236 862	3 689 505	547 357	15
Foreign currency translation		-119 549	-81 503	-38 046	47
Other reserves	28	1 564 513	2 099 300	-534 787	-25
Total equity and reserves attributable to LGT's equity holders		6 020 870	6 046 345	-25 475	-0
Non-controlling interests		888	478	410	86
Total equity		6 021 758	6 046 823	-25 065	-0
Total liabilities and equity		61 104 559	52 875 628	8 228 931	16

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

Consolidated statement of changes in equity (CHF thousands)	Foundation capital ¹	Retained earnings	Foreign currency translation	Other reserves	Total attributable to LGT's equity holders	Non-controlling interests	Total
1 January 2022	339 044	3 689 505	-81 503	2 099 300	6 046 345	478	6 046 823
Profit for the year	0	420 848	0	0	420 848	-63	420 784
Other comprehensive income, net of tax							
Foreign currency translation	0	0	-38 046	0	-38 046	-32	-38 077
Changes in value of debt instruments at fair value through other comprehensive income	0	0	0	-18 730	-18 730	0	-18 730
Changes in value of cash flow hedge	0	0	0	-15 135	-15 135	0	-15 135
Actuarial gains/losses	0	0	0	178 925	178 925	0	178 925
Changes in value of equity instruments at fair value through other comprehensive income	0	0	0	-257 253	-257 253	0	-257 253
Total other comprehensive income, net of tax	0	0	-38 046	-112 193	-150 239	-32	-150 271
Total comprehensive income	0	420 848	-38 046	-112 193	270 609	-95	270 514
Reclassification within equity due to realization of equity instruments at fair value through other comprehensive income	0	427 593	0	-427 593	0	0	0
Other changes	0	-16 084	0	5 000	-11 084	505	-10 579
Transactions with owners							
Appropriation of Foundation earnings and dividends	0	-285 000	0	0	-285 000	0	-285 000
Total transactions with owners	0	-285 000	0	0	-285 000	0	-285 000
31 December 2022	339 044	4 236 862	-119 549	1 564 513	6 020 870	888	6 021 758

¹ Foundation capital is fully paid and cannot be broken down into units.

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (CHF thousands)	Foundation capital ¹	Retained earnings	Foreign currency translation	Other reserves	Total attributable to LGT's equity holders	Non-controlling interests	Total
1 January 2021	339 044	3 313 114	-73 676	1 257 861	4 836 342	477	4 836 819
Profit for the year	0	352 772	0	0	352 772	1	352 772
Other comprehensive income, net of tax							
Foreign currency translation	0	0	-7 826	0	-7 826	0	-7 826
Changes in value of debt instruments at fair value through other comprehensive income	0	0	0	4 175	4 175	0	4 175
Changes in value of cash flow hedge	0	0	0	-2 457	-2 457	0	-2 457
Actuarial gains/losses	0	0	0	221 425	221 425	0	221 425
Changes in value of equity instruments at fair value through other comprehensive income	0	0	0	775 171	775 171	0	775 171
Total other comprehensive income, net of tax	0	0	-7 826	998 314	990 488	0	990 488
Total comprehensive income	0	352 772	-7 826	998 314	1 343 259	1	1 343 260
Reclassification within equity due to realization of equity instruments at fair value through other comprehensive income	0	160 875	0	-160 875	0	0	0
Other changes	0	-2 256	0	4 000	1 744	0	1 744
Transactions with owners							
Appropriation of Foundation earnings and dividends	0	-135 000	0	0	-135 000	0	-135 000
Total transactions with owners	0	-135 000	0	0	-135 000	0	-135 000
31 December 2021	339 044	3 689 505	-81 503	2 099 300	6 046 345	478	6 046 823

¹ Foundation capital is fully paid and cannot be broken down into units.

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated cash flow statement

Consolidated cash flow statement (CHF thousands)	Note	2022	2021
Cash flow from operating activities			
Profit after tax		420 784	352 772
Impairment, depreciation, provisions		98 960	102 919
Tax expense	9	67 189	50 367
Changes in accrued income and expenses		-403 931	-196 684
Interest and similar income received		797 936	374 701
Interest paid		-329 778	-167 177
Income tax paid		-55 275	-44 691
Cash flow from operating activities before changes in operating assets and liabilities		595 885	472 207
Loans and advances to banks		352 514	832 731
Loans and advances to customers		341 343	-1 763 934
Trading securities		86 521	-142 227
Financial instruments at fair value through profit or loss		5 391	45 682
Amounts due to banks		2 813 146	-757 136
Amounts due to customers		4 570 984	2 955 759
Other assets and other liabilities		455 188	97 467
Cash flow from changes in operating assets and liabilities		8 625 086	1 268 341
Net cash flow from operating activities		9 220 971	1 740 548
Cash flow from investing activities			
Purchase of financial instruments at amortized cost		-20 087 974	0
Proceeds from sales /maturing of financial instruments at amortized cost		13 037 481	0
Proceeds from sales of property and equipment	17	80	443
Purchase of property and equipment	17	-20 711	-29 864
Proceeds from sales of intangible assets	19	565	0
Cash outflow on acquisition of subsidiaries and intangible assets	19, 45	-167 533	-109 105
Cash outflow on acquisition of investments in associates	16	-78 216	0
Cash outflow from change in the scope of consolidation		0	-4 836
Proceeds from sales of investment securities		17 872 710	14 093 629
Purchase of investment securities		-16 029 529	-14 091 180
Net cash flow from investing activities		-5 473 127	-140 912

	Note	2022	2021
Cash flow from financing activities			
Payment of lease liabilities	18, 25	-48 606	-46 189
Issue of certificated debt	25	230 925	272 024
Repayment of certificated debt	25	-35 338	-346 871
Dividends paid to beneficiary		-285 000	-135 000
Net cash flow from financing activities		-138 019	-256 037
Effects of exchange rate changes on cash		-54 861	-62 497
Change in cash and cash equivalents		3 554 965	1 281 102
At the beginning of the period	10, 11	15 296 596	14 015 493
At the end of the period	10, 11	18 851 561	15 296 596
Change in cash and cash equivalents		3 554 965	1 281 102
Cash and cash equivalents comprise:			
Cash in hand, balances with central banks	10	3 930 402	10 952 202
Due from banks at sight	11	14 921 159	4 344 393
Total cash and cash equivalents		18 851 561	15 296 596

Notes to the consolidated financial statements

Group accounting principles

1. Introduction

LGT Group Foundation, Herrengasse 12, Vaduz, Principality of Liechtenstein, is the holding company of LGT, a global financial services institution. The beneficiary of LGT Group Foundation is the Prince of Liechtenstein Foundation. The beneficiary of the Prince of Liechtenstein Foundation is the reigning Prince of Liechtenstein, H.S.H. Prince Hans-Adam II von und zu Liechtenstein.

The terms "LGT Group", "LGT" and "Group" refer to LGT Group Foundation together with its subsidiary undertakings and the term "Company" refers to LGT Group Foundation.

2. Presentation of amounts

The Group publishes its financial statements in thousands of Swiss francs unless otherwise stated.

Due to rounding, the numbers presented in this report may not add up precisely to the totals provided in the tables and text.

3. Accounting principles

The consolidated financial statements for the financial year 2022 are prepared in accordance with International Financial Reporting Standards (IFRS). LGT has applied IFRS rules since 1996. A summary of the principal Group accounting policies is set out on the following pages.

H.S.H. Prince Max von und zu Liechtenstein, Chairman, and Olivier de Perregaux, CFO of LGT considered the consolidated financial statements on 4 April 2023. They were approved for issue by the Audit Committee of the LGT Group Foundation Board on 26 April 2023. The Foundation Board approved the consolidated financial statements for issue on 26 April 2023. The accounts were presented for approval at the Foundation Meeting to the Foundation Supervisory Board on 26 April 2023. The Foundation Board proposed to the Foundation Meeting of 26 April 2023 the distribution of CHF 144 million to the Prince of Liechtenstein Foundation. The accounts on pages 21 to 99 were approved by the Foundation Board on 26 April 2023 and were signed on its behalf by H.S.H. Prince Max von und zu Liechtenstein, Chairman, and Prof. Dr. Conrad Meyer, member of the Foundation Board.

4. Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Intercompany transactions, balances as well as gains and losses on transactions between Group companies are eliminated. Subsidiaries are deconsolidated

from the date that control ceases. A list of the Group's principal subsidiary undertakings is provided in note 37.

5. Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are recognized in the income statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

6. Investments in associates

Investments in associates are investments in companies over which the Group has significant influence but not control, and for which it generally holds between 20% and 50% of voting rights. LGT associates are recognized using the equity method and are initially recognized at fair value plus transactions costs. Unrealized gains on transactions between the Group and its associates are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group. Investments in associates are reported under note 16.

The Group's share of its associates' post-acquisition profit or loss is recognized in the income statement, or in other reserves. Its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

7. Foreign currencies

7.1. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Swiss francs, which is the Group's presentation currency.

7.2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Translation differences on non-monetary items, such as equity instruments classified as investment securities measured at fair value through other comprehensive income under IFRS 9 are included in other reserves in equity.

7.3. Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate on the date of that balance sheet;
- income and expenses for each account of the income statement are translated at average exchange rates;
- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on the sale. Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

8. Foreign exchange rates

The foreign exchange rates for the major currencies which have been applied are as follows:

	Average rate	2022 Year-end rate
CHF per 1 USD	0.9550	0.9254
CHF per 1 EUR	1.0048	0.9871
CHF per 1 GBP	1.1790	1.1130

	Average rate	2021 Year-end rate
CHF per 1 USD	0.9143	0.9111
CHF per 1 EUR	1.0809	1.0361
CHF per 1 GBP	1.2577	1.2342

9. Income from services

LGT earns revenues by providing various services, which are recognized in accordance with IFRS 15. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized:

1. identify the contract with a customer
2. identify the performance obligations in the contract
3. determine the transaction price
4. allocate the transaction price to the performance obligations in the contract
5. recognize revenue when the Group satisfies a performance obligation

Income from services is measured based on the consideration specified in a legally enforceable contract and can be divided into two categories: fees for services provided over time (e.g. private banking and investment management services), which constitute by far the largest portion of the Group's fee and commission income, and fees for services provided at a point in time (e.g. brokerage fees).

Investment management and administration fee income is generally based on the average amount of relevant assets under administration during the period when the service is rendered and recognized proportionately in profit or loss over the relevant period. These fees are invoiced on specific dates, usually at the end of a quarter. In the case of variable revenues, such as performance fees, recognition can only take place to the extent that it is highly probable that a significant reversal will not occur. This is generally only the case once all performance criteria have been

met. Fees for services provided at a point in time are generally based on the corresponding transaction volume. They are invoiced to the client once the service has been rendered and at the same time, these revenues are recognized in profit or loss.

The disclosure relating to commission and fee income is provided in note 3.

10. Property and equipment

Property and equipment and their subsequent costs are stated at cost less accumulated depreciation and accumulated impairment losses. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Property and equipment are periodically reviewed for impairment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Depreciation is done on a straight-line basis, from the date of purchase, over the estimated useful life of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Estimated asset lives vary in line with the following:

Real estate	50 years
Leasehold improvements	period of lease
IT equipment	3–5 years
Office equipment	5 years
Motor vehicles	4 years

11. Intangible assets

11.1. Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on a business combination of subsidiaries is included in intangible assets. Goodwill on an investment in associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

11.2. Software

Software acquired by the Group is stated at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on software assets is capitalized only when

it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three to ten years.

11.3. Other intangible assets

Other intangible assets are recognized on the balance sheet at cost determined at the date of acquisition and are amortized using the straight-line method over their estimated useful economic life, not exceeding 20 years.

At each balance sheet date other intangible assets are reviewed for indications of impairment or changes in estimated future benefits. If such indication exists, an analysis is performed to assess whether the carrying amount of other intangible assets is fully recoverable. An impairment is charged if the carrying amount exceeds the recoverable amount.

12. Financial instruments

12.1. Measurement methods

Amortized cost and effective interest rate

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and interest points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest income and expense

Interest income and expense are recognized in the income statement for all debt instruments measured at fair value through other comprehensive income or amortized cost using the effective interest method.

Negative interest on assets and liabilities is accrued in the period in which it is incurred and is presented within interest expense or interest income, respectively.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through profit or loss and at fair value through other comprehensive income are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Immediately after initial recognition, an expected credit loss (ECL) allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

13. Financial assets

13.1. Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- fair value through profit or loss (FVPL);
- fair value through other comprehensive income (FVOCI); or
- amortized cost.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans as well as government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on the business model for managing the assets and the cash flow characteristics of the asset. Based on these

factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL allowance recognized and measured as described in the Risk management section in note 5. Interest income from these financial assets is included in interest income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flow represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in income from investment securities. Interest income from these financial assets is included in interest income using the effective interest method.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognized in profit or loss and presented in the income statement as income from trading activities in the period in which it arises. This category has two sub-categories: financial assets held for trading, and those designated at FVPL at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The Group designates financial assets at FVPL when the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.
- Solely payment of principal and interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payment of principal and interest (the SPPI test). In making this assessment, the Group considers whether the

contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

- **Business model:** The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Group's business model for the mortgage loan book is to hold to collect contractual cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. The Group subsequently measures equity investments at FVPL, except where the management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to

be recognized in profit or loss as other operating income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in income from trading activities in the income statement.

13.2. Impairment

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognizes an impairment allowance for such losses at each reporting date. The measurement of ECL reflects: an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Note 5 in the Risk management section provides more detail of how the ECL allowance is measured.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

13.3. Modification of loans and derecognition

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. A restructuring or modification of a financial asset could lead to a substantial change in the terms and conditions, resulting in the original financial asset being derecognized and a new financial asset being recognized.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

14. Precious metals

Precious metals are valued at the market value on the balance sheet date.

15. Financial liabilities

15.1. Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for financial guarantee contracts and loan commitments as well as financial liabilities at FVPL. The latter classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading book) and other financial liabilities designated as such at initial recognition.

The Group designates financial liabilities at FVPL when either

- the liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

IFRS 9 retains the fair value option for financial liabilities, but requires that the amount of change in fair value attributable to changes in the own credit risk of the liability be presented in other comprehensive income without reclassification to the income statement. There were no own credit adjustments on the financial liabilities designated at FVPL, set out in note 23, for the years 2022 and 2021.

16. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for an incurred loss because a specified debtor fails to make payments when due in accordance with the terms of a specified debt instrument. LGT issues such financial guarantees to banks, financial institutions and other parties on behalf of clients to secure loans, overdrafts and other banking facilities. For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision.

17. Borrowings

Borrowings are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of trans-

action cost incurred. Borrowings are subsequently stated at amortized cost, any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

18. Other liabilities

Other liabilities are reported at amortized cost. Interest and discounts are taken to net interest and similar income on an accrual basis.

19. Derivative financial instruments and hedging

The Group elected to continue to apply the hedge accounting requirements of IAS 39.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

In the case of hedging transactions involving derivative financial instruments, on the inception of the transaction it is determined whether the specific transaction is

- a hedge of the value of a balance sheet item (a fair value hedge), or
- a hedge of a future cash flow or obligation (a cash flow hedge).

Derivatives categorized in this manner are treated as hedging instruments in the financial statements if they fulfill the following criteria:

- existence of documentation that specifies the underlying transaction (balance sheet item or cash flow), the hedging instrument as well as the hedging strategy/relationship,
- effective elimination of the hedged risks through the hedging transaction during the entire reporting period (high correlation),
- sustained high effectiveness of the hedging transaction.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that prove to be highly effective in relation to the hedged risk are recorded in the income statement, along with the corresponding change in the fair value of the hedged asset or liability that is attributable to that specific hedged risk. The fair value change of the hedged item in a port-

folio hedge of interest rate risks is reported separately from the hedged portfolio in other assets or other liabilities as appropriate.

If the hedge no longer meets the criteria for hedge accounting, in the case of interest-bearing financial instruments the difference between the carrying amount of the hedged position at that time and the value that this position would have exhibited without hedging is amortized to net profit or loss over the remaining period to maturity of the original hedge. In the case of non-interest-bearing financial instruments, on the other hand, this difference is immediately recorded in the income statement.

Changes in the fair value of derivatives that have been recorded as a cash flow hedge, that fulfill the criteria mentioned above and that prove to be effective in hedging risk are reported under other reserves in Group equity capital. If the hedged cash flow or the obligation leads to direct recognition in the income statement, the hedging instrument's cumulative gains or losses from previous periods in Group equity capital are included in the income statement in the same period as the hedged transaction.

Certain derivative transactions represent financial hedging transactions and are in line with the risk management principles of the Group. However, in view of the strict and specific guidelines of IFRS, they do not fulfill the criteria to be treated as hedging transactions for accounting purposes. They are therefore reported as trading positions. Changes in value are recorded in the income statement in the corresponding period.

20. Interest rate benchmark reform

Due to the global reform of major interest rate benchmarks, the publication of London Interbank Offered Rates (LIBORs) ceased on 31 December 2021 for all non-US dollar LIBORs as well as for one-week and two-month USD LIBOR. All other USD LIBOR maturity terms will cease to be published on 30 June 2023.

As of 31 December 2022, LGT had approximately USD 89.1 million equivalent US dollar-denominated issued bonds that reset directly on USD LIBOR. LGT holds derivatives for trading and hedging purposes, including those in hedge accounting relationships, of which interest rate swaps with a value of CHF 4.6 million and a notional amount of CHF 1 083.6 million have floating legs subject to LIBOR exposure.

21. Measurement of fair values

For financial instruments traded in active markets, the measurement of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges as well as exchange traded derivatives.

A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For all other financial instruments, fair value is measured using valuation techniques. In these techniques, fair values are measured from observable data in respect of similar financial instruments, using models to measure the present value of expected future cash flows or other valuation techniques, using inputs (for example, relevant interest rate curves or FX rates) existing at the consolidated balance sheet dates.

The Group uses widely recognized valuation models for measuring fair values of financial instruments where no active market exists, such as derivatives transacted in the over-the-counter (OTC) market. Some of the inputs to these models are market observable, otherwise they are estimated based on assumptions. The Group either uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry, or obtains valuations from specialized providers.

The output of a model is always a measure or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair value of OTC derivatives is measured using valuation methods that are commonly accepted in the financial markets, such as present value techniques and option pricing models. The fair value of foreign exchange forwards is generally based on current forward exchange rates.

Private equity investments for which market quotations are not readily available are valued at their fair values as determined in good faith by the respective Board of Directors in consultation with the investment manager. In this respect, investments in other investment companies (fund investments) which are not publicly traded are normally valued at the underlying net asset value as advised by the managers or administrators of these investment companies, unless the respective Board of Directors is aware of good reasons why such a valuation would not be the most appropriate indicator of fair value.

In estimating the fair value of private equity fund investments, the respective Board of Directors considers all appropriate and applicable factors (including a sensitivity to non-observable market factors) relevant to their value, including but not limited to the following:

- reference to the fund investment's reporting information including consideration of any time lags between the date of the latest available reporting and the balance sheet date of the respective Group entity in those situations where no December valuation of the underlying fund is available. This includes a detailed analysis of exits (trade sales, initial public offerings, etc.) which the fund investments have gone through in the period between the latest available reporting and the balance sheet date of the respective Group entity, as well as other relevant valuation information. This information is a result of continuous contact with the investment managers and, specifically, by monitoring calls made to the investment managers, distribution notices received from the investment managers in the period between the latest available report and the balance sheet date of the respective Group entity, as well as the monitoring of other financial information sources and the assessment thereof;
- reference to transaction prices;
- result of operational and environmental assessments: periodic valuation reviews are made of the valuations of the underlying investments as reported by the investment managers to measure if the values are reasonable, accurate and reliable. These reviews include a fair value estimation using widely recognized valuation methods such as multiple analysis and discounted cash flow analysis;
- review of management information provided by the managers/administrators of the fund investments on a regular basis; and
- mark-to-market valuations for quoted investments held by the managers/administrators of the fund investments which

make up a significant portion of the relevant Group entity's net asset value.

If the respective Board of Directors comes to the conclusion upon recommendation of the investment manager after applying the above-mentioned valuation methods, that the most recent valuation reported by the manager/administrator of a fund investment is materially misstated, it will make the necessary adjustments using the results of its own review and analysis. Typically, the fair value of such investments is remeasured based on the receipt of periodic (usually quarterly) reporting provided to the investors in such vehicles by the managers or administrators. For new investments in such vehicles, prior to the receipt of fund reporting, the investments are usually valued at the amount contributed, which is considered to be the best indicator of fair value.

22. Provisions

Provisions for restructuring costs, legal claims and other operational risk are recognized, when the Group has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation and when the amount has been reliably estimated.

23. Fiduciary transactions

The Group commonly acts as a trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

24. Repurchase and reverse repurchase transactions (repo transactions)

Repo transactions are used to refinance and fund money market transactions. They are entered in the balance sheet as advances against collateral and cash contributions or with pledging of securities held in the Group's own account. Securities provided to serve as collateral thus continue to be posted in the corresponding balance sheet positions – securities received to serve as collateral are not reported in the balance sheet. Interest resulting from the transactions is posted as net interest income.

25. Securities lending and borrowing transactions

Securities lending is recorded at the value of cash deposits which have been received or made, including interest accrued.

Securities which have been borrowed or accepted as collateral are only recorded in the balance sheet if the bank gains control of the contractual rights contained in these securities. Securities lent or provided as collateral are only taken off the balance sheet if the bank loses the contractual rights associated with these securities. The market values of the securities which have been either borrowed or lent are monitored daily so that additional collateral can be provided or requested where necessary.

Income arising from securities lending and repurchase transactions, which have been received or paid, are entered as interest income and interest expense.

26. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Or a contingent liability is a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

27. Leasing

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for the use of the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. The Group determines its incremental borrowing rate based on the risk free rate and a liquidity spread from various external financing sources in the relevant currency and maturity band.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statement over the lease period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items with a value of less than CHF 5 000.

28. Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise liquid assets including cash in hand, balances with central banks and due from banks at sight.

29. Taxation

Corporate tax payable is provided on the taxable profits of Group companies at the applicable current rates. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets attributable to time differentials or accountable loss carry forwards are recognized if there is a probability that sufficient taxable profits will be available to offset such differentials of loss carry forwards.

30. Employee benefits

30.1. Short- and medium-term benefits

Salaries are recognized in the income statement upon payment. The amount for bonuses is accrued and will be paid at the beginning of the following year. For deferred bonuses the payout is spread over several years.

Senior management and other key people in the Group are entitled to participate in long-term incentive schemes. The incentive schemes give the holder the possibility to participate in the development of the economic value added. In principle, the economic value added represents the operating profit and the return on LGT's Princely Portfolio after adjustments for capital and refinancing costs. There are three different option schemes in place. The main difference between these schemes is the relevant operating profit either of LGT Group, LGT Private Banking or LGT Capital Partners. Options granted under the scheme cannot be exercised for a period of three years from the date of grant of option and are exercisable within three to seven years from the date of grant of option. The annual costs of the scheme are charged to the income statement. The accruals are shown as other liabilities until their realization.

For employees being classified as "Risk Takers" under the European Banking Authority (EBA) standards, the HR Compensation Committee ensures that any variable compensation awarded is structured in line with regulatory requirements, including a maximum ratio of fixed to variable compensation of 1:2, a minimum deferral of 50% in instruments, or an ex-post risk adjustment through malus and clawback provisions. To satisfy the minimum deferral requirement of 50% and to support the alignment of interests between the Risk Takers and the owners of LGT, the variable compensation of the Risk Takers might be awarded in form of LTIS or a cash deferral plan (Value Alignment Plan, VAP). The LTIS allocated to Risk Takers can be exercised between four to seven years. In case of exercise after four years there will be an additional blocking period of one year. The VAP is accrued during the performance year but is subject to a five-year vesting period, during which 1/5 of the invested sum will be transferred to the Employee each year after a one year blocking period. In the balance sheet, VAP accruals are part of the amounts due for bonus payments in other liabilities and in the income statement, VAP is recognized as bonus in personnel expenses.

30.2. Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method and takes the specific features of each plan including risk sharing between the employee and employer into account. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets and the effect of the asset ceiling (if any), are recognized immediately in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognized as employee benefit expense when they are due. Prepaid con-

tributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

31. Assets under administration

Assets under administration are stated according to the provisions of the Liechtenstein banking law.

32. Events after the reporting period

Agreement to acquire abrdrn discretionary fund management business in UK and Jersey

On 26 February 2023, LGT entered into an agreement with abrdrn to acquire their discretionary fund management business in the UK and Jersey. With this transaction, involving approximately GBP 6.1 billion in assets under management and close to 140 employees, LGT is further strengthening its position in the UK wealth management market. The high-quality UK and Jersey-based discretionary fund management business that LGT has agreed to acquire from abrdrn, encompasses a profitable and long standing portfolio of high-net-worth clients and charities. Upon closing of the transaction, LGT Wealth Management, the UK-based wealth manager and part of LGT, will assume the client relationships of the acquired business and all of its employees. Completion of the transaction by way of a share deal is expected in the second half of 2023, following receipt of customary regulatory approvals. LGT's offer values the business for acquisition at an amount of GBP 140 million (around CHF 158 million).

33. Management's judgments

The Group makes estimates and assumptions that affect the amounts reported in the financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. This note provides an overview of the areas that involve a higher degree of judgment or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year.

33.1. Measurement of the expected credit loss (ECL) allowance

The measurement of the ECL allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs,

assumptions and estimation techniques used in measuring ECL are further detailed in the Risk management section in note 5.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing forward-looking scenarios for each type of product and the associated ECL; and
- establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgments and estimates made by LGT in the above areas is set out in the Risk management section in note 5.

33.2. Impairment of goodwill

The fair value of goodwill is reviewed annually and management assesses whether it is necessary to recognize an impairment charge.

33.3. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets is measured by using valuation techniques. Where valuation techniques (for example models) are used to measure fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them.

Changes in assumptions could affect reported fair value of financial instruments. For example, if management tightens the credit spread by 20 basis points, the fair value of derivative financial instruments would be measured at CHF -204.9 million (2021: CHF -162.1 million) as compared with their reported fair value of CHF -205.8 million (2021: CHF -144.3 million) on the balance sheet date.

33.4. Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required when determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the

final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

34. Changes in accounting policies, comparability and other adjustments

34.1. Standards and interpretations that have been adopted

The Group applied the following new and revised standards and interpretations for the first time in the financial year beginning on 1 January 2022:

- Amendments to IFRS 16 Leases – COVID-19-related Rent Concessions Amendment (effective 1 April 2021 and until 30 June 2022)
- Amendment to IFRS 3 Business Combinations – Reference to Conceptual Framework (effective 1 January 2022)
- Amendment to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use (effective 1 January 2022)
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Costs of Fulfilling a Contract (effective 1 January 2022)
- Amendment to IFRS 9 Financial Instruments – Fees included in the 10% Test for Derecognition of Financial Liabilities (effective 1 January 2022)

The adoption did not have a material impact on the reported results or financial position of the Group.

34.2. Standards and interpretations that have not yet been adopted

New and revised standards and interpretations were published that must be applied for financial years beginning on or after 1 January 2023. The Group has chosen not to adopt these in advance.

Based on initial analyses, the following new and revised standards and interpretations which have to be applied for financial years beginning after 1 January 2022 are not expected to have any significant impact on the reported results or financial position of the Group:

- IFRS 17 Insurance Contracts (effective 1 January 2023, early adoption permitted)
- Amendment to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current with covenants (effective 1 January 2023)

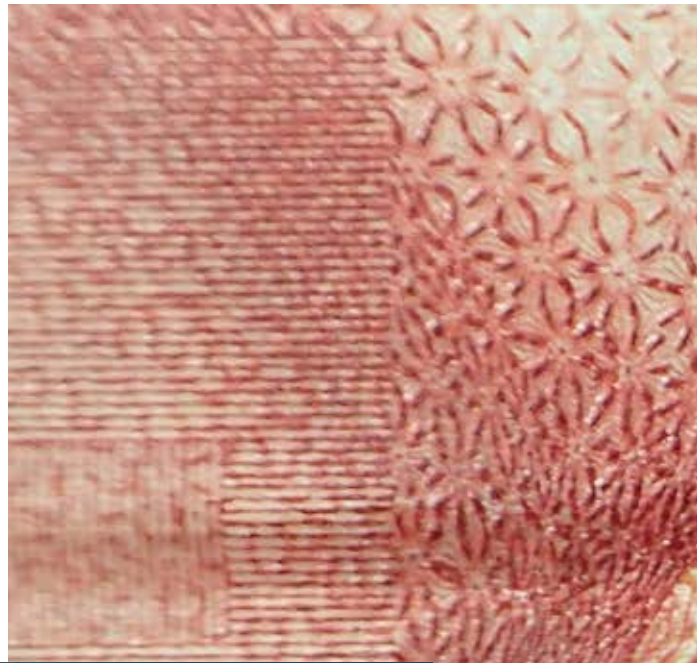
- Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates (effective 1 January 2023)
- Amendment to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
- Amendment to IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments – Comparative Information (effective 1 January 2023)
- Amendment to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective 1 January 2024)
- Amendment to IFRS 16 Leases – Lease Liability in a Sale and Leaseback (effective 1 January 2024)

35. New tax rules – Pillar Two: Global minimum taxation

In December 2021, the Organization for Economic Co-operation and Development (OECD) published its Pillar Two GloBE Model Rules. The rules are part of a two-pillar solution to address the tax challenges arising from the digitalization of the economy and were agreed by more than 135 countries and jurisdictions representing more than 90% of global GDP.

The Pillar Two model rules (a) aim to ensure that large multinational groups, with a turnover of more than EUR 750 million, such as LGT, pay a minimum amount of tax on income arising in each jurisdiction in which they operate; and (b) would achieve that aim by applying a system of top-up taxes that results in the total amount of taxes payable on excess profit in each jurisdiction representing at least the minimum rate of 15%. The introduction of Pillar Two may subject LGT to additional tax compliance and reporting obligations; the impact on the tax payable by LGT remains uncertain.

In December 2022, Liechtenstein, Switzerland and the EU announced respectively that they intend to introduce minimum taxation legislation based on the GloBE Model Rules applicable for tax years beginning on/after 1 January 2024. In February 2023, Hong Kong and Singapore respectively announced that they intend to introduce minimum taxation legislation applicable for tax years on/after 1 January 2025. Other jurisdictions where LGT operates are also expected to introduce minimum taxation legislation applicable for tax years on/after 1 January 2024 or 2025.





Details on the consolidated income statement

1 Net interest income (CHF thousands)	2022	2021
Interest income		
Interest income from banks	56 508	6 889
Interest income from customers	365 025	211 888
Interest income on debt instruments at amortized cost	14 403	0
Total interest income from financial instruments measured at amortized cost	435 936	218 777
Interest income from investment securities at fair value through other comprehensive income	71 085	26 621
Interest income from investment securities at fair value through profit or loss	322 422	131 321
Total interest income	829 443	376 720
Interest expense		
Interest expense on amounts due to banks	-86 449	-96 271
Interest expense on amounts due to customers	-317 670	-36 667
Interest expense on certificated debt	-13 470	-13 902
Interest expense on lease liabilities	-3 224	-2 867
Total interest expense from financial instruments measured at amortized cost	-420 813	-149 708
Interest expense on investment securities at fair value through profit or loss	-37 737	-20 962
Total interest expense	-458 550	-170 669
Net interest income¹	370 893	206 050

¹ Negative interest paid CHF 49.4 million (2021: CHF 65.7 million), negative interest received CHF 12.7 million (2021: CHF 20.7 million).

2 Credit loss expense/recovery (CHF thousands)	2022	2021
Credit loss expense	-1 290	-2 536
Recovery of credit loss	2 822	1 312
Expected credit loss expense/recovery	17 622 ¹	-332
Total credit loss expense/recovery	19 154	-1 556

¹ thereof CHF 18.1 million recovery of expected credit losses related to a financial guarantee granted

3 Income from services (CHF thousands)	2022	2021
Commission income from securities and investment business		
Investment management fees	1 070 154	1 005 376
thereof net performance fees	127 463	181 513
Brokerage fees	200 954	244 656
Administration fees and other income from investment business	313 373	326 204
Total commission income from securities and investment business	1 584 481	1 576 236
Commission income from other services		
Lending business	7 414	7 205
Accounts and clearing business	21 147	22 383
Total commission income from other services	28 560	29 588
Commission expenses	-22 882	-23 632
Total income from services	1 590 159	1 582 192

4	Income from trading activities (CHF thousands)		2022	2021
	Foreign exchange, precious metals		198 348	142 380
	Interest and dividend income		32 165	28 597
	Profit/loss on securities trading		64 428	122 383
	Interest rate swaps		27 155	8 682
	Profit/loss on financial instruments designated at fair value		-694	3 751
	Profit/loss on financial instruments mandatorily at fair value		-6 138	187
	Total income from trading activities		315 265	305 980

5	Other operating income (CHF thousands)	Note	2022	2021
	Income from investment securities			
	Net result on debt investment securities measured at fair value through other comprehensive income		1	0
	Dividends on equity investment securities measured at fair value through other comprehensive income		1 425	17 797
	thereof related to investments held at the end of the reporting period		1 291	17 797
	Total income from investment securities		1 426	17 798
	Net result on investments in associates	16	-2 745	0
	Other		14 738	21 755
	Total other operating income		13 419	39 553

6	Personnel expenses (CHF thousands)	Note	2022	2021
	Personnel expenses before long-term incentive scheme			
	Salaries		600 039	538 194
	Bonuses		466 909	427 132
	Social security costs		84 357	81 684
	Pension costs		67 699	84 092
	Other personnel expenses		72 999	57 193
	Total personnel expenses before long-term incentive scheme		1 292 004	1 188 293
	Long-term incentive scheme	42	26 051	113 739
	Total personnel expenses		1 318 055	1 302 033
	Headcount at 31 December		4 913	4 114

7	Business and office expenses (CHF thousands)		2022	2021
	Rents and office expenses		21 840	21 707
	IT expenses		110 002	88 862
	Information and communication expenses		49 331	46 460
	Travel and entertainment expenses		21 486	8 515
	Legal and professional expenses		57 064	61 834
	Advertising expenses		59 841	32 651
	General expenses		44 909	42 379
	Total business and office expenses		364 473	302 409

8 Depreciation, amortization and provisions (CHF thousands)	Note	2022	2021
Depreciation on property and equipment	17	28 475	31 095
Depreciation on right-of-use assets	18	48 477	46 518
Amortization of intangible assets	19	42 968	35 921
Other depreciation		3 750	1 680
Total depreciation, amortization and impairment		123 670	115 214
Provision for operational risks	27	11 610	4 040
Other provisions		58	475
Total changes in provisions		11 668	4 515
Other operating expenses		3 051	4 910
Total depreciation, amortization and provisions		138 389	124 639

9 Taxation (CHF thousands)	2022	2021
Income tax expense		
Current income tax expense	61 849	52 840
Deferred income tax expense	5 340	-2 473
Total income tax expense	67 189	50 367
Reconciliation between the expected and the effective income tax expense		
Profit before tax	487 974	403 139
Income tax expense calculated at a tax rate of 12.5% ¹ (2021: 12.5%)	60 997	50 392
Applicable tax rates differing from assumed tax rate	6 005	2 351
Use of tax losses carried forward	-2 420	-113
Income not subject to tax and expenses not deductible for tax purposes	-3 270	-5 339
Other impacts	5 878	3 075
Total income tax expense	67 189	50 367

¹ The rate used is the domestic tax rate in Liechtenstein.

Deferred income tax expense comprises the following temporary differences

Losses available for offset against future taxable income	4 015	-1 162
Accelerated depreciation for tax purposes	-1 020	-288
Provisions	430	-1 707
Financial instruments	2 684	2 901
Pensions	613	-2 581
Intangible assets	-1 323	-743
Other temporary differences	18	1 108
Foreign currency translation	-76	0
Total deferred income tax expense	5 340	-2 473

	2022	2021
Deferred income tax assets and liabilities relate to the following items		
Deferred income tax assets		
Losses available for offset against future taxable income	6 042	10 581
Accelerated depreciation for tax purposes	6 408	5 342
Provisions	6 519	4 447
Financial instruments	919	1 338
Pensions	0	39 096
Other temporary differences	3 719	2 533
Total deferred income tax assets	23 607	63 337
Deferred income tax liabilities		
Accelerated depreciation for tax purposes	20 358	389
Provisions	-1 584	-205
Financial instruments	10 038	11 471
Intangible assets	23 231	25 484
Other temporary differences	147	29
Total deferred income tax liabilities	52 191	37 167
Movements on the deferred income tax assets and liabilities		
At 1 January	-26 170	-60 884
Income statement charge	5 340	-2 473
Investment securities measured at fair value through other comprehensive income – debt instruments	-4 286	-87
Investment securities measured at fair value through other comprehensive income – equity instruments	-59	576
Actuarial gains/losses on defined benefit plans	38 483	36 078
Other changes	14 641	118
Foreign currency translation	635	502
At 31 December	28 583	-26 170

Income tax on other comprehensive income	2022			2021		
	Before tax	Tax expense/ tax benefit	Net of tax	Before tax	Tax expense/ tax benefit	Net of tax
Foreign currency translation	-38 077	0	-38 077	-7 826	0	-7 826
Changes in value of debt instruments at fair value through other comprehensive income	-23 016	4 286	-18 730	4 088	87	4 175
Changes in value of cash flow hedge	-15 135	0	-15 135	-2 457	0	-2 457
Actuarial gains/losses on defined benefit plans	207 803	-28 878	178 925	257 503	-36 078	221 425
Changes in value of equity instruments at fair value through other comprehensive income	-257 312	59	-257 253	775 747	-576	775 171
Other comprehensive income	-125 738	-24 533	-150 271	1 027 055	-36 567	990 488

There are losses available for offset against future income, which are currently not shown in the balance sheet, as the utilization of the carry forward losses is uncertain.

Details on the consolidated balance sheet

10 Cash in hand, balances with central banks (CHF thousands)	2022	2021
Cash in hand	22 870	21 069
Balances with central banks	3 907 532	10 931 134
Total cash in hand, balances with central banks	3 930 402	10 952 202

11 Loans and advances to banks (CHF thousands)	2022	2021
Due from banks at sight	14 921 159	4 344 393
Due from banks fixed term	604 803	957 395
Loss allowance banks	-1 119	-1 355
Total loans and advances to banks	15 524 843	5 300 433

12 Loans and advances to customers (CHF thousands)	2022			2021		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Mortgage-backed	4 720 264	-10 479	4 709 785	4 700 476	-11 854	4 688 621
Other collateral	13 229 314	-5 262	13 224 052	14 094 810	-5 701	14 089 109
Without collateral	1 113 254	-7 439	1 105 816	634 549	-7 522	627 027
Total loans and advances to customers	19 062 832	-23 179	19 039 653	19 429 834	-25 077	19 404 758

Impairment allowance customers	2022				2021			
	Mortgage-backed	Other collateral	Without collateral	Total	Mortgage-backed	Other collateral	Without collateral	Total
At 1 January	11 854	5 701	7 522	25 077	11 502	6 756	8 004	26 261
Charges to allowance	1 525	2 248	454	4 227	2 400	315	884	3 599
Release of allowance	-1 373	-2 868	-1	-4 241	-2 552	-805	-1 033	-4 390
Allowance utilized	-572	-341	-421	-1 334	0	-137	-17	-154
Reclassifications	-867	653	214	0	730	-566	-164	0
Currency translation	-89	-130	-330	-549	-225	138	-152	-239
At 31 December	10 479	5 262	7 439	23 179	11 854	5 701	7 522	25 077

Additional information about loans and advances is shown separately in the Risk management section in note 5.

13 Financial instruments at amortized costs (CHF thousands) ¹	2022	2021
Money market papers	7 050 207	0
Loss allowance financial instruments at amortized costs	-254	0
Total financial instruments at amortized costs	7 049 952	0

¹ In 2022, LGT started to invest in money market papers which are held to collect contractual cash flows and these cash flows represent solely principal and interest. There was no reclassification from other business models.

14	Securities held for trading purposes (CHF thousands)	2022	2021
	Total securities held for trading purposes	1 247 750	1 334 272
	thereof listed	819 935	1 019 790

15	Investment securities at fair value (CHF thousands)	2022	2021
	Investment securities mandatorily measured at fair value through profit or loss	35 740	67 312
	Investment securities designated at fair value through profit or loss	222 975	273 246
	thereof securities designated at fair value to match financial liabilities through profit or loss	185 905	252 397
	Investment securities measured at fair value through other comprehensive income – debt instruments	4 622 194	6 092 874
	Investment securities measured at fair value through other comprehensive income – equity instruments	4 878 323	5 693 991
	Total investment securities at fair value	9 759 231	12 127 422

Equity instruments at fair value through other comprehensive income (FVOCI)

LGT has elected the FVOCI option for equity instruments, because these investments were made for strategic purposes. The dividends recognized during the period are disclosed in note 5.

	2022	2021
	Fair value	Fair value
LGT's major equity instrument at FVOCI is:		
Financial Investments SPC	4 528 743	5 283 801

The Group also has various smaller investments in equity securities at FVOCI. The fair value of those instruments amounts to CHF 349.6 million (2021: CHF 410.2 million).

	2022		2021	
	Fair value at the date of derecognition	Cumulative gain or loss on disposal	Fair value at the date of derecognition	Cumulative gain or loss on disposal
The following investments were derecognized during the period:				
Co-investments in investment companies	1 794	2 181	8 122	1 926
Strategic investments in investment companies	973 921	425 412	605 677	158 950
Total investments derecognized during the period	975 715	427 593	613 799	160 875

16 Investments in associates (CHF thousands)	2022
Carrying amount as at 1 January	0
Additions	78 216
thereof goodwill	73 143
Income	-2 745
Currency translation	-2 188
Carrying amount as at 31 December	73 284
Details of investments in associates	
Assets	40 341
Liabilities	18 956
Operating income	5 425
Net profit/loss	-9 501

In January 2022, LGT acquired 26.7% of the holding company A Squared Holding AG based in Switzerland. In March 2022, LGT acquired 28.9% of the digital asset manager LIQID Investments GmbH based in Germany. The companies have been accounted for using the equity method since acquisition.

LGT's investments in associates at 31 December 2022

Name	Principal activity	Ownership interest in % of ordinary/participation shares held
LIQID Investments GmbH, Berlin	Digital wealth manager	28.9
A Squared Holding AG, Zollikon	Holding company	26.7

17	Property and equipment (CHF thousands)	Real estate	Leasehold improvements	IT/Office equipment	Motor vehicles	Total
Cost						
	At 1 January 2022	221 382	80 088	141 244	464	443 178
	Currency translation	0	-1 611	-2 464	0	-4 075
	Additions	5 922	3 141	11 570	78	20 711
	Disposals	0	-2 123	-4 218	-31	-6 373
	Reclassifications	-2 640	2 640	0	0	0
	Additions from change in the scope of consolidation	0	3 260	1 841	0	5 101
	At 31 December 2022	224 664	85 395	147 973	510	458 542
Accumulated depreciation						
	At 1 January 2022	145 914	58 051	107 356	378	311 699
	Currency translation	0	-906	-1 893	-73	-2 872
	Depreciation	4 570	7 427	16 367	111	28 475
	Disposals	0	-2 111	-4 153	-29	-6 293
	Additions from change in the scope of consolidation	0	2 655	844	0	3 499
	At 31 December 2022	150 484	65 116	118 521	387	334 508
	Net book value at 31 December 2022	74 180	20 279	29 452	123	124 033

Property and equipment	Real estate	Leasehold improvements	IT/Office equipment	Motor vehicles	Total
Cost					
At 1 January 2021	217 084	75 405	135 464	541	428 494
Currency translation	0	-64	219	4	158
Additions	4 298	6 013	19 480	73	29 864
Disposals	0	-1 147	-13 566	-34	-14 747
Removal from change in the scope of consolidation	0	-119	-352	-121	-592
At 31 December 2021	221 382	80 088	141 244	464	443 178
Accumulated depreciation					
At 1 January 2021	141 010	52 366	101 168	361	294 905
Currency translation	0	30	207	1	238
Depreciation	4 904	6 811	19 307	74	31 095
Disposals	0	-1 087	-13 183	-34	-14 304
Removal from change in the scope of consolidation	0	-70	-142	-23	-234
At 31 December 2021	145 914	58 051	107 356	378	311 699
Net book value at 31 December 2021	75 468	22 037	33 888	85	131 479

Insurance value of tangible assets	2022	2021
Insurance value	467 571	447 899

18 Leases (CHF thousands)

This note provides information for leases where the Group is a lessee. The Group leases various offices, equipment and vehicles.

Amounts recognized in the balance sheet:	2022	2021
Right-of-use assets		
Real estate	249 546	272 072
IT/Office equipment	2 109	1 231
Motor vehicles	3 078	1 909
Total right-of-use assets	254 733	275 213
Lease liabilities	254 784	273 410

Additions to the right-of-use assets during the 2022 financial year were CHF 30.7 million (2021: CHF 81.5 million).

Amounts recognized in the income statement:	2022	2021
Depreciation charge on right-of-use assets		
Real estate	46 629	44 873
IT/Office equipment	966	925
Motor vehicles	881	719
Total depreciation on right-of-use assets	48 477	46 518
Interest expense leasing	3 224	2 867
Expenses relating to short-term leases	1 388	1 336
Expenses relating to leases of low-value assets, that are not short-term leases	32	39

The total cash outflow for leases in 2022 was CHF 50.0 million (2021: CHF 47.6 million).

Further commitments in relation to leases:	2022	2021
Leases not yet commenced to which the lessee is committed	488	128

Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). As at 31 December 2022, potential future cash outflows that have not been included in the lease liability are not material.

19	Intangible assets (CHF thousands)	Goodwill	Software	Other intangible assets	Total
Cost					
	At 1 January 2022	613 159	182 358	362 456	1 157 974
	Currency translation	-33 042	-1 494	-12 461	-46 997
	Additions ¹	15 889	6 151	7 395	29 436
	Disposals	0	-1 276	0	-1 276
	Additions from change in the scope of consolidation ²	218 840	25 383	75 603	319 826
	At 31 December 2022	814 846	211 123	432 994	1 458 963
Accumulated amortization and impairment					
	At 1 January 2022	23 202	158 624	197 217	379 043
	Currency translation	25	-148	-2 861	-2 984
	Amortization	0	6 337	36 631	42 968
	Disposals	0	-711	0	-711
	Additions from change in the scope of consolidation ²	0	13 959	0	13 959
	At 31 December 2022	23 227	178 062	230 986	432 275
	Net book value at 31 December 2022	791 620	33 061	202 008	1 026 688

¹ Additions to goodwill and other intangible assets are due to the acquisition of Validus Wealth. Additional information is provided in note 45.

² Additions to goodwill and other intangible assets are due to the acquisition of Crestone Wealth Management, Australia. Additional information is provided in note 45.

Intangible assets	Goodwill	Software	Other intangible assets	Total
Cost				
At 1 January 2021	536 208	180 968	328 417	1 045 593
Currency translation	1 630	-111	1 758	3 277
Additions ¹	75 322	1 502	32 281	109 105
Disposals	0	0	0	0
At 31 December 2021	613 159	182 358	362 456	1 157 974
Accumulated amortization and impairment				
At 1 January 2021	23 155	154 809	164 084	342 048
Currency translation	47	-8	1 035	1 074
Amortization	0	3 823	32 098	35 921
Disposals	0	0	0	0
At 31 December 2021	23 202	158 624	197 217	379 043
Net book value at 31 December 2021	589 957	23 734	165 240	778 931

¹ Additions to goodwill and other intangible assets are due to the acquisition of UBS Europe SE in Austria.

Goodwill is allocated to the following organizational units (cash-generating units; CGUs) based on the anticipated synergies:

Goodwill	2022	2021
Private Banking	758 857	557 195
Asset Management	32 763	32 763
Total	791 620	589 957

The two organizational units represent the level at which the goodwill is monitored for internal management purposes.

The calculation of the realizable amount of the units was based on the respective fair value less cost to sell. The value of client assets was determined based on the market prices of companies with similar business activities. Under this approach, the assets under administration are valued using a goodwill-multiple. The average of the multiples applied for asset management lies in the range of 5 to 8% and for private banking in the range of 1 to 3%.

20 Other assets (CHF thousands)	2022	2021
Precious metals	1 000 490	1 134 330
Other	109 163	90 883
Total other assets	1 109 654	1 225 213

21 Amounts due to banks (CHF thousands)	2022	2021
Deposits on demand	1 001 563	815 334
Time deposits	3 532 142	905 661
Total amounts due to banks	4 533 704	1 720 995

22 Amounts due to customers (CHF thousands)	2022	2021
Deposits on demand	24 195 155	31 487 421
Time deposits	18 956 022	6 916 258
Savings deposits	1 188 742	1 468 204
Total amounts due to customers	44 339 919	39 871 882

23 Financial liabilities designated at fair value (CHF thousands)	2022	2021
Certificate issues designated at fair value	185 905	252 397
Total financial liabilities designated at fair value	185 905	252 397

Certificate issues designated at fair value at 31 December

Product	Date of issue	Interest rate %	Maturity	Fair value 2022	Fair value 2021
LGT GIM Index Certificates ¹	continuously	0.0	28.02.2022	0	40 404
LGT GIM Index Certificates II ²	continuously	0.0	30.06.2024	101 853	115 658
LGT GIM Index Certificates II/2 ³	continuously	0.0	31.03.2026	19 897	22 334
LGT GIM Index Certificates III ⁴	continuously	0.0	31.07.2026	61 918	71 343
Crown Absolute Return Index Certificates ⁵	continuously	0.0	30.11.2023	2 237	2 658
Total certificate issues designated at fair value at 31 December				185 905	252 397

¹ Linked to the performance of LGT Premium Strategy GIM (EUR) index with a duration from 2002 to 2022, index sponsor LGT Capital Partners Ltd.

² Linked to the performance of LGT Premium Strategy GIM II (EUR) index with a duration from 2004 to 2024, index sponsor LGT Capital Partners Ltd.

³ Linked to the performance of LGT Premium Strategy GIM II (EUR) index with a duration from 2006 to 2026

⁴ Linked to the performance of LGT Premium Strategy GIM III (EUR) index with a duration from 2006 to 2026

⁵ Linked to the Crown Absolute Return (EUR) index with a duration from 2003 to 2023, index sponsor LGT Capital Partners Ltd.

24 Certificated debt (CHF thousands)	2022	2021
Bond issues (net book value) ¹	2 145 244	1 948 597
Other cash bonds (fixed-rate medium term notes)	45 404	56 313
Shares in bond issues of the Swiss mortgage lending institution	378 326	368 920
Total certificated debt	2 568 975	2 373 830

¹ Net book value of bond issues is calculated using the effective interest method. Bonds held by LGT companies are eliminated.

Bond issues

Issuer	Date of issue	Nominal value	Interest rate %	Maturity	Net book value 2022	Net book value 2021
LGT Bank Ltd.	08.02.2013	300 000	1.875	08.02.2023	299 282	293 869
LGT Bank Ltd.	25.11.2015	300 000	0.625	25.11.2025	295 663	296 013
LGT Bank Ltd.	12.10.2016	350 000	0.200	12.10.2026	348 342	349 998
LGT Bank Ltd.	12.05.2017	275 000	0.500	12.05.2027	274 430	275 471
LGT Bank Ltd.	05.07.2019	150 000	0.375	05.07.2028	149 447	149 625
LGT Bank Ltd.	15.11.2019	160 000	0.375	15.11.2029	158 282	159 692
LGT Bank Ltd.	04.11.2020	225 000	0.200	04.11.2030	223 896	224 261
LGT Bank Ltd.	29.07.2021	200 000	0.450	29.07.2031	196 640	199 669
LGT Bank Ltd.	29.09.2022	200 000	2.750	29.09.2032	199 260	0
Total bond issues at 31 December					2 145 244	1 948 597

25 Changes in financial liabilities arising from financing activities (CHF thousands)	At 1 January 2022	Cash-changes	Non-cash changes		At 31 December 2022
			Additions/disposals	Currency translation	
Bond issues	1 948 597	196 648	0	0	2 145 244
Other cash bonds	56 313	-10 466	0	-443	45 404
Shares in bond issues of the Swiss mortgage lending institution	368 920	9 406	0	0	378 326
Total certificated debt	2 373 830	195 587	0	-443	2 568 975
Lease liabilities	273 410	-48 606	30 935	-955	254 784
Total liabilities from financing activities	2 647 240	146 981	30 935	-1 398	2 823 759

	At 1 January 2021	Cash-changes	Non-cash changes		At 31 December 2021
			Additions/disposals	Currency translation	
Bond issues	2 038 396	-89 799	0	0	1 948 597
Other cash bonds	101 848	-45 051	0	-483	56 313
Shares in bond issues of the Swiss mortgage lending institution	308 918	60 003	0	0	368 920
Total certificated debt	2 449 161	-74 848	0	-483	2 373 830
Lease liabilities	237 971	-46 189	79 281	2 347	273 410
Total liabilities from financing activities	2 687 132	-121 037	79 281	1 863	2 647 240

26 Other liabilities (CHF thousands)	2022	2021
Amounts due to long-term incentive scheme	226 338	257 424
Amounts due for bonus payments	520 794	459 745
Post-employment benefit obligations	0	212 269
Other	367 661	150 452
Total other liabilities	1 114 792	1 079 890

27 Provisions (CHF thousands)	Operational risk	Commitments and guarantees given	Other	Total
At 1 January 2022	42 356	17 404	14 600	74 360
Current year expenses	12 247	40	1 083	13 370
Provisions released	-637	-18 152 ¹	-144	-18 933
Provisions utilized	-773	0	-340	-1 113
Addition from change in the scope of consolidation	0	0	615	615
Currency translation	-1 608	808	-454	-1 254
At 31 December 2022	51 584	100	15 360	67 044

¹ thereof CHF 18.1 million recovery of expected credit losses related to a financial guarantee granted

	Operational risk	Commitments and guarantees given	Other	Total
At 1 January 2021	53 985	14 480	16 585	85 050
Current year expenses	6 121	2 551	4 450	13 122
Provisions released	-2 081	-100	-2 252	-4 433
Provisions utilized	-14 544	0	-3 243	-17 787
Removal from change in scope of consolidation	0	0	-777	-777
Currency translation	-1 126	473	-163	-815
At 31 December 2021	42 356	17 404	14 600	74 360

Provisions for operational risk

In the normal course of business, the Group is involved in various legal proceedings. The Group builds provisions for pending and threatened legal proceedings if management is of the opinion that such proceedings are more likely than not to result in a financial obligation or loss and if the amount of such obligation or loss can already be reasonably estimated.

A business relationship with a client was opened in 2010. In the same year three payment orders were executed and the amounts were transferred to other banks. The client claimed in 2014 that the last transfer was not duly approved by the client and that it should not have been executed by LGT Bank (Switzerland) Ltd.

Provisions for commitments and guarantees given

These provisions relate to the expected credit losses according to IFRS 9. The Group calculates expected credit losses on off-balance sheet positions primarily for financial guarantees.

28 Other reserves (CHF thousands)	2022	2021
Revaluation reserves – debt instruments at fair value through other comprehensive income	-4 587	14 143
Revaluation reserves – cash flow hedge	-16 529	-1 393
Revaluation reserves – actuarial gains/losses	73 545	-105 380
Revaluation reserves – equity instruments at fair value through other comprehensive income	1 503 084	2 187 930
Other capital reserves	9 000	4 000
Total other reserves	1 564 513	2 099 300
Revaluation reserves – debt instruments at fair value through other comprehensive income		
At 1 January	14 143	9 967
Disposals	23	0
Fair value hedge adjustment	142 434	50 689
Gains/losses from change in fair value	-165 473	-46 600
Deferred income tax	4 286	87
At 31 December	-4 587	14 143
Revaluation reserves – cash flow hedge		
At 1 January	-1 393	1 064
Gains/losses from change in fair value	-15 135	-2 457
At 31 December	-16 529	-1 393
Revaluation reserves – actuarial gains/losses		
At 1 January	-105 380	-326 805
Gains/losses on defined benefit pension plans	207 803	257 488
Deferred income tax	-28 878	-36 063
At 31 December	73 545	-105 380
Revaluation reserves – equity instruments at fair value through other comprehensive income		
At 1 January	2 187 930	1 573 634
Gains/losses from change in fair value	-257 312	775 747
Deferred income tax	59	-576
Reclassification to retained earnings	-427 593	-160 875
At 31 December	1 503 084	2 187 930
Other capital reserves		
At 1 January	4 000	0
Additions	5 000	4 000
At 31 December	9 000	4 000

29 Contingent liabilities, commitments and fiduciary transactions (CHF thousands)	2022	2021
Contingent liabilities		
Credit guarantees and similar instruments	219 910	282 847
Other contingent liabilities	143 508	92 246
Total contingent liabilities	363 418	375 093
Committed credit lines and other commitments	2 622 341	1 777 799
of which irrevocable commitments	2 532 207	1 748 189
Fiduciary transactions	2 213 738	2 194 610
of which fiduciary investments	1 919 384	2 194 610

Information about derivative financial instruments is shown separately in note 33.

30 Pledged and assigned assets/assets subject to reservation of ownership, which are used to secure own liabilities (CHF thousands) ¹	2022	2021
Book value of pledged and assigned assets (as collateral)	1 078 553	911 615
of which investment securities at fair value through other comprehensive income – debt instruments	92 903	271 517
of which financial instruments at amortized costs	283 645	0
of which mortgages	702 005	640 098
Actual commitments	794 908	743 680

¹ There are no assets subject to reservation of ownership.

The assets are pledged for commitments in respect of Lombard limits at central banks, for loans from Swiss mortgage lending institution, for securities deposits relating to SIX X-Clear/SIX Swiss Exchange and limits for cash settlement of securities transactions with EUROCLEAR BANK SA.

31 Lending transactions and pension transactions with securities (CHF thousands) ¹	2022	2021
Claims from cash deposits in connection with securities borrowing and reverse repurchase transactions	12 875 840	2 592 326
Liabilities from cash deposits in connection with securities lending and repurchase transactions	190 824	10 000
Own securities lent or provided as collateral within the scope of securities lending or borrowing transactions, as well as own securities transferred from repurchase transactions	193 933	0
of which capable of being resold or further pledged without restrictions	193 933	0
Securities borrowed or accepted as collateral within the scope of securities lending or borrowing transactions, as well as securities received from reverse repurchase transactions, which are capable of being resold or further pledged without restrictions	12 928 435	2 596 737
of which resold or further pledged	0	11 742

¹ These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities, as well as requirements determined by exchanges where the bank acts as an intermediary.

32 Fair value measurement (CHF thousands)

Valuation principles

Fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market as of the measurement date. In measuring fair value, the Group utilizes various valuation approaches and applies a hierarchy for prices and inputs that maximizes the use of observable market information, where available.

All financial and non-financial assets and liabilities measured or disclosed at fair value are categorized into one of three fair value hierarchy levels. In certain cases, the inputs used to measure fair value may fall within different levels of the fair value hierarchy. For disclosure purposes, the level in the hierarchy within which the instrument is classified in its entirety is based upon the lowest level input that is significant to the position's fair value measurement.

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges, exchange traded derivatives and precious metals.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes investments in hedge funds, mutual funds, the majority of OTC derivative contracts and structured debt.

Level 3

Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes mainly private equity investments, issued structured debt as well as equity investments with significant unobservable components.

Valuation governance

LGT's fair value measurement and model governance framework includes controls that are intended to ensure an adequate quality of fair value measurements reported in the consolidated financial statements. Responsibility for the ongoing measurement of financial and non-financial instruments at fair value resides with Trading and Treasury, but is validated by Group Risk Controlling, which is independent of Trading and Treasury. In carrying out their valuation responsibility, Trading and Treasury is required to consider the availability and quality of external market information and to provide justification and rationale for their fair value estimates.

Independent price verification is undertaken by Group Risk Controlling. The objective of the independent price verification process is to validate the business's estimates of fair value against available market information and other relevant data. By benchmarking the business's fair value estimates with observable market prices and other independent sources, the degree of valuation uncertainty embedded in these measurements is assessed and managed as required in the governance framework.

Valuation techniques

Valuation techniques are used to value positions for which a market price is not available from market sources. This includes in principle all derivatives transacted in the OTC market. LGT uses widely recognized valuation techniques for determining fair values that are not actively traded and quoted. The most frequently applied valuation techniques include discounted value of expected cash flow and option pricing methodologies such as the Black-Scholes or the Garman-Kohlhagen model that may involve simulation techniques depending on the option type.

Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by estimating the expected future cash flows using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models.

Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models.

Sensitivity of fair values of Level 3 financial instruments

Level 3 financial instruments are mainly booked as investment securities at fair value through other comprehensive income. The fair value of LGT's illiquid infrastructure titles is calculated based on financial statements and specific microeconomic parameters. A sensitivity analysis on the valuation of LGT's Level 3 financial investments has no material impact on other comprehensive income or the equity of LGT Group.

Fair value disclosure and classification within the fair value hierarchy

The classification in the fair value hierarchy of the Group's financial and non-financial assets and liabilities is summarized in the table below.

Fair value at the end of the period	Level 1	Level 2	Level 3	2022 Total
Assets				
Loans and advances to banks ¹	0	15 523 965	0	15 523 965
Loans and advances to customers ¹	0	19 009 506	0	19 009 506
Financial instruments at amortized costs ¹	1 656 784	5 392 958	0	7 049 742
Securities held for trading purposes	1 246 928	822	0	1 247 750
Derivative financial instruments	0	1 543 753	0	1 543 753
Investment securities at fair value	4 552 865	4 980 688	225 678	9 759 231
Precious metals	1 000 490	0	0	1 000 490
Total assets at fair value	8 457 068	46 451 692	225 678	55 134 437
Liabilities				
Amounts due to banks ¹	0	4 538 324	0	4 538 324
Amounts due to customers ¹	0	44 345 985	0	44 345 985
Derivative financial instruments	0	1 749 580	0	1 749 580
Financial liabilities designated at fair value	0	185 905	0	185 905
Certificated debt ¹	0	2 367 862	0	2 367 862
Total liabilities at fair value	0	53 187 656	0	53 187 656

Fair value at the end of the period	Level 1	Level 2	Level 3	2021 Total
Assets				
Loans and advances to banks ¹	0	5 297 325	0	5 297 325
Loans and advances to customers ¹	0	19 536 591	0	19 536 591
Securities held for trading purposes	1 332 398	1 874	0	1 334 272
Derivative financial instruments	0	867 554	0	867 554
Investment securities at fair value	6 171 577	5 735 462	220 382	12 127 422
Precious metals	1 134 330	0	0	1 134 330
Total assets at fair value	8 638 306	31 438 807	220 382	40 297 495
Liabilities				
Amounts due to banks ¹	0	1 721 212	0	1 721 212
Amounts due to customers ¹	0	39 881 036	0	39 881 036
Derivative financial instruments	0	1 011 868	0	1 011 868
Financial liabilities designated at fair value	0	252 397	0	252 397
Certificated debt ¹	0	2 406 145	0	2 406 145
Total liabilities at fair value	0	45 272 658	0	45 272 658

In 2021, a warehouse equity investment in the amount of CHF 75.7 million was transferred from Level 3 to Level 2 as the valuation parameter could be derived from more observable input factors than in prior valuation. Further, due to a listing an equity investment in the amount of CHF 27.1 million was transferred from Level 3 to Level 1. There were no transfers between Level 1, Level 2 and Level 3 in 2022.

¹ These items are not measured at fair value in the balance sheet but fair value is disclosed in the notes. See page 99 for a reconciliation to the carrying amount.

Reconciliation of Level 3 items	2022	2021
	Investment securities at fair value	Investment securities at fair value
Assets		
At 1 January	220 382	265 108
Total gains/losses	-32 272	40 358
thereof in profit/loss ¹	-46	122
thereof in other comprehensive income	-32 226	40 236
Purchases	76 358	31 167
Sales	-38 673	-13 438
Currency translation	-118	13
Transfers into/out of Level 3	0	-102 826
At 31 December	225 678	220 382

¹ Includes unrealized gains or losses recognized in profit or loss for financial assets held at the end of the reporting period of CHF 0.0 million (2021: CHF 0.1 million).

33 Derivative financial instruments (CHF thousands)

In the normal course of business, LGT and its subsidiaries use various derivative financial instruments to meet the financial needs of their customers, to generate revenues through trading, and to manage their exposure to fluctuations in interest and foreign exchange rates. Derivatives used for trading purposes include foreign exchange and precious metal forwards/swaps as well as foreign exchange and precious metal options. For asset and liability management, interest rate swaps are primarily employed. LGT controls the credit risk from derivative financial instruments through its credit approval process and the use of control limits and monitoring procedures. It uses the same credit procedures when entering into derivatives as it does for traditional lending products.

The following table summarizes the total outstanding volumes in derivative financial instruments. Positive and negative replacement values are stated at gross values, without taking into consideration the effect of master netting agreements.

Types of derivative financial instruments held for trading	2022			2021		
	Notional amount	Positive replacement value	Negative replacement value	Notional amount	Positive replacement value	Negative replacement value
Interest rate products						
Interest rate swaps	5 184 627	262 820	39 895	4 779 683	32 123	55 931
Foreign exchange products						
Foreign exchange forwards	96 521 973	1 079 031	1 478 707	101 056 891	614 988	733 502
Foreign exchange swaps	3 001 671	14 583	48 189	2 570 762	7 434	24 945
Foreign exchange OTC options	4 170 059	44 635	22 502	3 966 713	37 967	17 193
Precious metal products						
Precious metal forwards	1 173 060	20 765	19 055	1 575 366	15 265	20 530
Precious metal swaps	231 976	7 980	2 705	85 693	222	1 003
Precious metal OTC options	914 905	14 786	8 780	1 279 837	20 186	12 863
Derivatives on shares and indices						
OTC options	935 462	94 605	12 371	1 762 457	132 933	18 309
Other products						
	2 691 756	4 548	117 376	3 496 929	6 436	127 593
Total contracts	114 825 488	1 543 753	1 749 580	120 574 331	867 554	1 011 868

34 Hedge accounting (CHF thousands)

LGT applies hedge accounting in two separate hedging strategies, as follows:

Interest rate risk of fixed rate balance sheet items (fair value hedge)

LGT holds a portfolio of long-term fixed rate mortgages, fixed rate loans as well as regulatory portfolios and is therefore exposed to changes in fair value due to movements in market interest rates. LGT manages this risk exposure by entering into plain vanilla pay-fixed/receive-variable interest rate swaps.

LGT hedges only the interest rate risk meaning that other risks, such as credit risk, are managed but not hedged by LGT. The interest rate risk component is determined as the change in fair value of the hedged items arising from changes in the swap market interest rate curve (the benchmark rate of interest). This strategy is designated as a fair value hedge and its effectiveness is assessed by comparing changes in the fair value of the hedged items attributable to changes in the benchmark rate of interest with changes in the fair value of the interest rate swaps.

LGT establishes the hedging ratio by matching the notional of the derivatives with the principal of the portfolio being hedged. A possible source of ineffectiveness is the difference between the expected and actual volume of prepayments.

LGT adopts a dynamic hedging strategy (a portfolio hedge) with monthly de- and re-designation of the hedge relationship. LGT uses the portfolio fair value hedge of interest rate risk to recognize fair value changes related to changes in interest rate risk in the balance sheet item portfolio, and therefore reduce the profit or loss volatility that would otherwise arise from changes in fair value of the interest rate swaps alone.

Interest rate risk of a future cash flow (cash flow hedge)

LGT holds a portfolio of short-term variable rate assets and is therefore exposed to changes in cash flows due to movements in market interest rates. LGT manages this risk exposure by entering into plain vanilla receive-fixed/pay-variable interest rate swaps.

LGT hedges only the interest rate risk meaning that other risks, such as credit risk, are managed but not hedged by LGT. The interest rate risk component is determined as the change in cash flow of the hedged items arising from changes in the swap market interest rate curve (the benchmark rate of interest). This strategy is designated as a cash flow hedge. The effectiveness of this strategy is assessed by comparing the changes in fair value of the interest rate swap with changes in fair value of the hedged asset attributable to the hedged risk using the hypothetical derivative method.

LGT establishes the hedging ratio by matching the notional of the derivatives with the principal of the portfolio being hedged. A possible source of ineffectiveness is the difference in timing of cash flows between assets and interest rate swaps.

The following table sets out the maturity profile and average price/rate of the hedging instruments used in the Group's dynamic hedging strategies:

	Up to 1 month	1 to 3 months	3 years to 1 year	1 year to 5 years	2022 More than 5 years
Cash flow hedges					
Interest rate swaps – Notional	0	0	60 000	320 000	0
	Up to 1 month	1 to 3 months	3 years to 1 year	1 year to 5 years	2021 More than 5 years
Cash flow hedges					
Interest rate swaps – Notional	0	0	0	300 000	0

The following table contains details of the hedging instruments used in the Group's hedging strategies:

	Notional of hedging instrument	Carrying amount of hedging instrument		Balance sheet item	2022 Change in fair value used for calculating hedge effectiveness
		Assets	Liabilities		
Fair value hedges					
Interest rate swaps	3 714 950	231 022	964	Derivatives	266 539
Cash flow hedges					
Interest rate swaps	380 000	0	17 163	Derivatives	-16 529
	Notional of hedging instrument	Carrying amount of hedging instrument		Balance sheet item	2021 Change in fair value used for calculating hedge effectiveness
		Assets	Liabilities		
Fair value hedges					
Interest rate swaps	3 055 078	18 268	40 046	Derivatives	44 204
Cash flow hedges					
Interest rate swaps	300 000	584	1 756	Derivatives	-1 393

The following table contains details of the hedged exposures covered by LGT's hedging strategies:

	Carrying amount of hedged item		Accumulated fair value adjustments on hedged item		Change in value of hedged item used to determine hedge ineffectiveness for the period	Balance sheet item	2022 Cash flow hedge reserve	
	Assets	Liabilities	Assets	Liabilities			Continuing hedges	Discontinued hedges
Fair value hedges								
Fixed rate mortgages	986 412	–	0	54 663	-63 762	Other assets	–	–
Fixed rate loans	2 564 390	–	0	20 520	-22 715	Other assets	–	–
Regulatory portfolios	2 344 000	–	–	143 598	-176 130	Other reserves	–	–
Cash flow hedges								
Short term deposits	380 000	–	–	-16 529	–	Other reserves	-16 529	–

As at 31 December 2022 the accumulated amount of fair value hedge adjustments remaining in the balance sheet for hedged items that have ceased to be adjusted for hedging gains and losses is CHF 0.0 million.

	Carrying amount of hedged item		Accumulated fair value adjustments on hedged item		Change in value of hedged item used to determine hedge ineffectiveness for the period	Balance sheet item	2021 Cash flow hedge reserve	
	Assets	Liabilities	Assets	Liabilities			Continuing hedges	Discontinued hedges
Fair value hedges								
Fixed rate mortgages	796 935	–	1 482	0	-7 397	Other assets	–	–
Regulatory portfolios	2 366 376	–	–	1 164	-36 699	Other reserves	–	–
Cash flow hedges								
Short term deposits	300 000	–	–	-1 393	–	Other reserves	-1 393	–

As at 31 December 2021 the accumulated amount of fair value hedge adjustments remaining in the balance sheet for hedged items that have ceased to be adjusted for hedging gains and losses is CHF 0.0 million.

The following table contains information regarding the effectiveness of the hedging relationships designated by the Group, as well as the impacts on profit or loss and other comprehensive income:

	Gains/losses recognized in OCI	Hedge ineffectiveness recognized in income statement	2022 Income statement item that includes hedge ineffectiveness
Fair value hedges			
Fixed rate mortgages	–	1 231	Other trading activities
Fixed rate loans	–	727	Other trading activities
Regulatory portfolios	–	6 557	Other trading activities
Cash flow hedges			
Short term deposits	0	-391	Other trading activities

	Gains/losses recognized in OCI	Hedge ineffectiveness recognized in income statement	2021 Income statement item that includes hedge ineffectiveness
Fair value hedges			
Fixed rate mortgages	–	399	Other trading activities
Regulatory portfolios	–	1 329	Other trading activities
Cash flow hedges			
Short term deposits	0	0	Other trading activities

A reconciliation of each component of equity and an analysis of other comprehensive income in relation to hedge accounting can be found in the consolidated statement of comprehensive income as well as in note 28 Other reserves.

35 Offsetting financial assets and liabilities (CHF thousands)

Financial assets and liabilities subject to offsetting netting arrangements and similar agreements.

Assets at 31 December 2022	Gross amounts of financial assets	Gross amounts set off on balance sheet	Net amount of financial assets presented on balance sheet	Amounts not set off on balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities borrowing and reverse repurchase transactions	12 876 082	0	12 876 082	0	0	12 866 371	9 711
Positive market values from derivative financial instruments	1 070 150	0	1 070 150	646 886	216 516	0	206 748
Total assets	13 946 232	0	13 946 232	646 886	216 516	12 866 371	216 460
Liabilities at 31 December 2022	Gross amounts of financial liabilities	Gross amounts set off on balance sheet	Net amount of financial liabilities presented on balance sheet	Amounts not set off on balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities lending and repurchase transactions	190 824	0	190 824	0	0	190 782	42
Negative market values from derivative financial instruments	1 620 529	0	1 620 529	646 886	424 404	0	549 239
Total liabilities	1 811 353	0	1 811 353	646 886	424 404	190 782	549 281
Assets at 31 December 2021	Gross amounts of financial assets	Gross amounts set off on balance sheet	Net amount of financial assets presented on balance sheet	Amounts not set off on balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities borrowing and reverse repurchase transactions	2 592 567	0	2 592 567	0	0	2 576 032	16 535
Positive market values from derivative financial instruments	669 723	0	669 723	445 947	36 375	0	187 401
Total assets	3 262 290	0	3 262 290	445 947	36 375	2 576 032	203 936
Liabilities at 31 December 2021	Gross amounts of financial liabilities	Gross amounts set off on balance sheet	Net amount of financial liabilities presented on balance sheet	Amounts not set off on balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities lending and repurchase transactions	10 000	0	10 000	0	0	9 994	6
Negative market values from derivative financial instruments	910 822	0	910 822	445 947	212 362	0	252 513
Total liabilities	920 822	0	920 822	445 947	212 362	9 994	252 519

36 Capital resources (CHF thousands)

Capital adequacy and the use of capital are monitored by the Group and by individual operating units. The revised Capital Requirements Directive and Regulation, commonly known as CRD V and CRR 2, entered into force in Liechtenstein in May 2022. They contain amendments in various areas including large exposures, leverage ratio, liquidity, market risk, counterparty credit risk, as well as reporting and disclosure requirements.

The minimum capital requirement is 8% of total risk exposure which consists at least of 4.5% common equity tier 1 (CET 1) capital and 1.5% additional tier 1 capital. In addition, LGT must fulfill 4.67% buffer requirements. The entire buffer requirement must be fulfilled with CET 1 capital. The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

The following table analyzes the Group's capital resources as defined for regulatory purposes:

Capital resources		2022	2021
Capital resources		6 021 758	6 046 823
thereof non-controlling interests		888	478
Other adjustments		-247 314	-15 038
Prudent valuation adjustment		-11 475	-14 814
Intangible assets		-1 151 174	-810 109
CET 1 capital		4 611 795	5 206 863
Tier 1 capital		4 611 795	5 206 863
Own funds		4 611 795	5 206 863
Required capital	Approach		
Credit risk	Standard	1 422 139	1 395 333
Market risk	Standard	171 609	184 586
Operational risk	Basic indicator	314 713	290 153
Credit valuation adjustment risk	Standard	20 139	16 723
Total		1 928 599	1 886 795
Capital adequacy ratio¹		19.1%	22.1%

¹ CET 1 capital ratio: 19.1 % (2021: 22.1%); Tier 1 capital ratio: 19.1% (2021: 22.1%); Total capital ratio: 19.1% (2021: 22.1%)

37 Subsidiaries

The Group's principal subsidiary undertakings at 31 December 2022 were:

Name	Principal activity	Registered office	Ownership interest in % of ordinary shares held ¹
LGT Bank Ltd.	Banking	Vaduz – Liechtenstein	100.0
LGT Capital Partners (FL) Ltd.	Investment management	Vaduz – Liechtenstein	100.0
LGT Fund Management Company Ltd.	Investment management	Vaduz – Liechtenstein	100.0
LGT Fund Managers (FL) Ltd.	Fund administrator	Vaduz – Liechtenstein	100.0
LGT Funds SICAV	Investment company	Vaduz – Liechtenstein	100.0
Lightrock Evergreen Fund SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT Multi-Assets SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT PB AIF SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT PB Fund Solutions Ltd. ²	Investment company	Vaduz – Liechtenstein	100.0
LGT PB Funds SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT Portfolio Invest SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT Portfolio Management SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT Capital Partners Advisers Ltd.	Investment advisers	Vaduz – Liechtenstein	100.0
LGT Private Equity Advisers Ltd.	Investment advisers	Vaduz – Liechtenstein	60.0
LGT Financial Services Ltd.	Services company	Vaduz – Liechtenstein	100.0
LGT Capital Partners Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0
LGT Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0
LGT Bank (Switzerland) Ltd.	Banking	Basel – Switzerland	100.0
LGT Capital Partners Ltd.	Investment management	Pfäffikon SZ – Switzerland	100.0
LGT ILS Partners Ltd.	Investment management	Pfäffikon SZ – Switzerland	100.0
European Capital Private Debt Carry GP LLP ³	Holding company	Edinburgh – United Kingdom	100.0
European Capital UK SME Carry GP LLP ³	Holding company	Edinburgh – United Kingdom	100.0
LGT Private Debt (UK) Ltd. ³	Investment management	London – United Kingdom	100.0
LGT Capital Partners (U.K.) Ltd.	Investment advisers	London – United Kingdom	100.0
European Capital Private Debt GP LLP ³	Holding company	London – United Kingdom	100.0
European Capital Private Debt 1 Ltd. ³	Holding company	London – United Kingdom	100.0
European Capital Private Debt 2 Ltd. ³	Holding company	London – United Kingdom	100.0
European Capital UK SME Debt 1 Ltd. ³	Holding company	London – United Kingdom	100.0
European Capital UK SME Debt 2 Ltd. ³	Holding company	London – United Kingdom	100.0
European Capital UK SME GP LLP ³	Holding company	London – United Kingdom	100.0
LGT Capital Partners UK Holding Ltd.	Holding company	London – United Kingdom	100.0
LGT EC Holding Limited ³	Holding company	London – United Kingdom	100.0
LGT UK Holdings Limited	Holding company	London – United Kingdom	100.0
LGT Wealth Management UK LLP (formerly LGT Vestra LLP)	Investment management	London – United Kingdom	100.0
LGT Wealth Management US Ltd. (formerly LGT Vestra US Ltd.)	Investment management	London – United Kingdom	100.0
LGT Wealth Management Jersey Ltd. (formerly LGT Vestra (Jersey) Ltd.)	Investment management	St Helier – Jersey	100.0
LGT Capital Partners (Ireland) Ltd.	Investment management	Dublin – Ireland	100.0
LGT Fund Managers (Ireland) Ltd.	Fund administrator	Dublin – Ireland	100.0

Name	Principal activity	Registered office	Ownership interest in % of ordinary shares held ¹
LGT Capital Partners Denmark Holding ApS	Holding company	Copenhagen – Denmark	100.0
LGT Holding Denmark ApS	Holding company	Copenhagen – Denmark	100.0
LGT PB Denmark Holding ApS	Holding company	Copenhagen – Denmark	100.0
LGT Private Debt (France) S.A.S. ³	Investment management	Paris – France	100.0
ECAS Agent S.A.S.	Bondholder representative and agent	Paris – France	100.0
LGT Private Debt (Germany) GmbH ³	Investment advisers	Frankfurt am Main – Germany	100.0
LGT Fund Management (Lux) S.A.	Holding company	Luxembourg – Luxembourg	100.0
LGT Fund Administrators (Luxembourg) S.à.r.l. (formerly LGT Fund Managers (Luxembourg) S.à.r.l.)	Fund administrator	Luxembourg – Luxembourg	100.0
LGT Bank (Singapore) Ltd.	Banking	Singapore	100.0
LGT Investment Holding (Singapore) Pte. Ltd. ⁴	Holding company	Singapore	100.0
LGT Investment Consulting (Beijing) Ltd.	Investment consulting	Beijing – China	100.0
LGT Capital Partners (Asia-Pacific) Ltd.	Investment advisers	Hong Kong SAR	100.0
LGT Investment Management (Asia) Ltd.	Investment advisers	Hong Kong SAR	100.0
LGT Wealth Management Ltd.	Holding company	Hong Kong SAR	100.0
LGT Securities (Thailand) Ltd.	Investment advisers	Bangkok – Thailand	100.0
LGT Capital Partners (Japan) Co., Ltd.	Investment advisers	Tokyo – Japan	100.0
LGT Wealth Management Trust Inc.	Investment advisers	Tokyo – Japan	100.0
LGT Capital Partners (Dubai) Ltd.	Investment advisers	Dubai – United Arab Emirates	100.0
LGT (Middle East) Ltd.	Investment advisers	Dubai – United Arab Emirates	100.0
LGT Wealth India Private Ltd. ⁵	Investment management	Mumbai – India	98.6
LGT Securities India Private Ltd. ^{5,6}	Investment management	Mumbai – India	98.6
LGT Capital Partners (USA) Inc.	Investment management	New York – USA	100.0
LGT Bank (Cayman) Ltd.	Banking	Grand Cayman – Cayman Islands	100.0
LGT Certificates Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT Global Invest Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT Investments Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT Participations Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT (Uruguay) S.A. in Liquidation	Bank representation	Montevideo – Uruguay	100.0
LGT Capital Partners (Australia) PTY Ltd.	Investment advisers	Sydney – Australia	100.0
LGT Holding (Australia) PTY Ltd.	Holding company	Elanora – Australia	100.0
LGT Crestone Wealth Management Ltd. ⁷	Investment management	Sydney – Australia	100.0
Crestone Management Services Trust ⁷	Services company	Sydney – Australia	100.0
Crestone Wealth Pty Ltd. ⁷	Services company	Sydney – Australia	100.0
LGT Crestone Holdings Ltd. ⁷	Holding company	Sydney – Australia	100.0

¹ Ownership interest equals voting interest.

² Was established on 22 November 2022.

³ Ownership interest changed from 80% to 100% in 2022.

⁴ Was established on 10 October 2022.

⁵ Ownership interest changed from 100% to 98.6% in 2022.

⁶ Was established on 11 March 2022.

⁷ Was acquired on 12 May 2022.

LGT (Italia) S.R.L., Milan was liquidated on 13 January 2022.

LGT Audit Revisions Ltd., Vaduz was liquidated on 14 December 2022.

38 Interests in unconsolidated structured entities (CHF thousands)

The Group is principally involved with structured entities through investments in and loans to structured entities and sponsoring structured entities that provide specialized investment opportunities to investors.

Interests in unconsolidated structured entities	2022		2021	
Domicile	Number	NAV	Number	NAV
Cayman Islands	3	2 129 183	3	2 459 338
Germany	2	3 599	2	7 904
Ireland	32	12 512 785	32	12 686 914
Liechtenstein	5	20 996 575	5	22 829 929
Luxembourg	45	16 812 012	43	17 639 490
Switzerland	3	717 997	3	702 768
United Kingdom	3	307 038	4	382 660
USA	1	8 682	2	23 363
Total	94	53 487 869	94	56 732 365

Nature of risk**Risk associated with unconsolidated structured entities**

The following table summarizes the carrying values recognized in the statement of financial position of the Group's interests in unconsolidated structured entities. The maximum exposure to loss presented in the table below is contingent in nature and may arise as a result of the provision of liquidity facilities, and any other funding commitments, such as financial guarantees provided by the Group.

Financial statement at 31 December 2022	Investment securities at fair value	Loans	Commitments and guarantees	Collateral	Maximum exposure to loss
Domicile					
Cayman Islands	43 402	395 636	274 319	-444 620	268 737
Germany	14	0	0	0	14
Guernsey	225	0	0	0	225
Ireland	24 330	176 283	617 834	-52 748	765 699
Liechtenstein	297	14 449	1 319 672	-1 327 181	7 237
Luxembourg	10 387	203 013	229 798	-49 046	394 152
Switzerland	0	0	23 135	0	23 135
United Kingdom	25	0	0	0	25
Total	78 680	789 381	2 464 758	-1 873 595	1 459 224

Financial statement at 31 December 2021	Investment securities at fair value	Loans	Commitments and guarantees	Collateral	Maximum exposure to loss
Domicile					
Cayman Islands	28 703	145 734	311 532	-148 403	337 566
Germany	15	0	0	0	15
Guernsey	328	0	0	0	328
Ireland	28 773	177 977	560 351	-122 999	644 103
Liechtenstein	0	28 728	1 217 928	-1 221 601	25 055
Luxembourg	7 625	178 762	179 688	0	366 075
Switzerland	0	0	22 778	0	22 778
United Kingdom	26	0	0	0	26
Total	65 470	531 201	2 292 278	-1 493 003	1 395 946

39 Operating segments (CHF thousands)

LGT is the Private Banking and Asset Management Group of the Princely House of Liechtenstein. It is headquartered in Vaduz, Principality of Liechtenstein. The Group's segmental reporting comprises the three operating business units: Private Banking, Asset Management and Operations & Technology. The remaining operating income and expenses, which are not directly connected to these business units, including consolidation adjustments, are shown under Corporate Center.

LGT's reportable segments are strategic business units that offer different products and services to external and internal customers. They are managed separately because each business unit pursues its own specific client and marketing strategy and requires different technology.

The segment reporting reflects the internal management structure. The segments are based upon the products and services provided or the type of customer served and they reflect the manner in which financial information is currently evaluated by management. The results of these lines of business are presented on a managed basis. Both the external and the internal reports are prepared in accordance with International Financial Reporting Standards (IFRS).

Private Banking offers private clients around the world a comprehensive range of services. Asset Management manages discretionary mandates and investment funds for institutional and private investors worldwide focusing on alternative investments and multi-asset solutions. Operations & Technology is the IT and business service provider for the entire Group.

The accounting policies of the operating segments are the same as those described in the summary of the Group accounting principles. Income and expenses are assigned to the individual business lines in accordance with current market prices and based on the client relationships. Indirect costs resulting from services provided internally are accounted for according to the principle of causation and are recorded as a revenue increase for the service provider and as a cost increase for the service beneficiary. Depreciation and provisions are stated at effective costs.

Information about the operating income from external customers for each product and service, or group of similar products and services, is not available. The costs of developing such reporting would be excessive.

Operating segments at 31 December 2022	Private Banking	Asset Management	Operations & Technology	Corporate Center⁴	Group
Net interest income	393 540	-3 210	-79	-19 359	370 893
Credit loss expense/recovery	2 011	-4	0	17 147	19 154
Non-interest income (other income)	1 256 634	662 395	3 690	-3 876	1 918 843
Total internal operating income ¹	102 326	36 578	267 011	-405 915	0
Total operating income	1 754 512	695 759	270 622	-412 003	2 308 890
Personnel expenses	-773 294	-355 741	-103 693	-85 326	-1 318 055
Business and office expenses	-548 414	-151 746	-145 713	481 401	-364 473
Depreciation, amortization and provisions	-115 713	-10 137	-12 373	-166	-138 389
Total operating expenses	-1 437 422	-517 624	-261 779	395 908	-1 820 916
Segment result before tax	317 090	178 135	8 843	-16 095	487 974
Tax expense ²					-67 189
Net profit					420 785
Attributable to:					
Equity holders of the parent entity					420 848
Non-controlling interests					-63
Additional information:					
Segment assets	60 203 951	1 192 493	95 918	-387 802	61 104 559
Property and equipment	102 956	7 000	14 077	0	124 033
Right-of-use assets	199 030	54 906	777	20	254 733
Intangible assets	974 117	32 895	19 676	0	1 026 688
Capital expenditure	64 343	7 376	9 161	0	80 879
Investments in associates	0	0	0	73 284	73 284
Segment liabilities	54 686 154	494 509	42 429	-140 290	55 082 801
Headcount	3 334	735	504	340	4 913
Assets under administration in CHF million ³	208 469	76 707	0	2 023	287 200

¹ Operating income from transactions with other segments at market prices.

² The Group does not allocate tax expense/tax income to reportable segments.

³ Assets under administration include double-counted assets.

⁴ Corporate Center includes net Group financing cost, the cost of all Group functions and consolidation adjustments.

Geographical information at 31 December 2022	Operating income¹	Capital expenditure	Non-current assets
Liechtenstein	638 158	18 633	280 500
Switzerland	681 692	7 572	305 140
Other Europe	333 258	19 365	128 464
Americas	50 351	1 624	17 893
Asia and Oceania	605 429	33 685	673 458
Group	2 308 890	80 879	1 405 455

¹ Operating income is attributed to countries/regions on the basis of the LGT companies' domicile.

Operating segments at 31 December 2021	Private Banking	Asset Management	Operations & Technology	Corporate Center⁴	Group
Net interest income	224 008	-3 947	-168	-13 843	206 050
Credit loss expense/recovery	-209	-11	0	-1 336	-1 556
Non-interest income (other income)	1 212 964	691 300	3 012	20 449	1 927 725
Total internal operating income ¹	93 126	34 352	253 943	-381 421	0
Total operating income	1 529 889	721 694	256 787	-376 150	2 132 219
Personnel expenses	-710 241	-369 912	-106 937	-114 943	-1 302 033
Business and office expenses	-490 003	-132 018	-127 311	446 923	-302 409
Depreciation, amortization and provisions	-98 197	-12 253	-15 983	1 795	-124 639
Total operating expenses	-1 298 441	-514 183	-250 231	333 775	-1 729 080
Segment result before tax	231 448	207 511	6 556	-42 376	403 139
Tax expense ²					-50 367
Net profit					352 772

Attributable to:

Equity holders of the parent entity	352 772
Non-controlling interests	1

Additional information:

Segment assets	51 473 851	1 023 363	88 932	289 481	52 875 628
Property and equipment	108 090	8 549	14 839	0	131 479
Right-of-use assets	216 821	57 315	1 017	60	275 213
Intangible assets	724 153	32 895	21 884	0	778 931
Capital expenditure	207 732	2 272	10 408	32	220 444
Segment liabilities	46 153 151	449 203	43 688	182 763	46 828 805
Headcount	2 695	668	461	290	4 114
Assets under administration in CHF million ³	205 638	78 331	0	1 833	285 802

¹ Operating income from transactions with other segments at market prices.

² The Group does not allocate tax expense/tax income to reportable segments.

³ Assets under administration include double-counted assets.

⁴ Corporate Center includes net Group financing cost, the cost of all Group functions and consolidation adjustments.

Geographical information at 31 December 2021	Operating income¹	Capital expenditure	Non-current assets
Liechtenstein	589 786	18 373	272 375
Switzerland	659 805	44 275	331 998
Other Europe	299 062	118 756	162 534
Americas	40 428	42	18 682
Asia	527 816	38 030	399 163
Other countries	15 322	968	870
Group	2 132 219	220 444	1 185 623

¹ Operating income is attributed to countries/regions on the basis of the LGT companies' domicile.

40 Assets under administration (CHF million)

Assets under administration are stated according to the provisions of the Liechtenstein banking law.

	2022	2021
Assets in own-managed funds	48 602	49 575
Assets under management	89 239	95 901
Other assets under administration	149 359	140 326
Total assets under administration (including double counting)	287 200	285 802
of which double counting	21 291	21 587
Net new assets	33 760	29 254
of which net new money	17 139	24 758
of which through acquisition	16 621	4 496

Assets in own-managed funds

This item covers the assets of all the actively marketed investment funds of LGT.

Assets under management

The calculation of assets with management mandate takes into account client deposits as well as the fair value of securities, loan-stock rights, precious metals and fiduciary investments placed with third-party institutions. The information covers both assets deposited with Group companies and assets deposited at third-party institutions for which Group companies hold a discretionary mandate.

Other assets under administration

The calculation of other assets under administration takes into account client deposits as well as the fair value of securities, loan-stock rights, precious metals and fiduciary investments placed with third-party institutions. The information covers assets for which an administrative or advisory mandate is exercised.

Double counting

This item covers investment fund units from own-managed funds as well as certain assets that are included in assets under management.

Custodian assets

Custodian assets are excluded.

Net new assets

This position is composed of the acquisition of new clients, closed client accounts and inflows or outflows from existing clients. Performance-related asset fluctuations, e.g. price changes, interest and dividend payments including interest, commissions and expenses charged to client accounts, are not regarded as inflows or outflows. Acquisition-related changes to assets are also not considered.

41 Pensions (CHF thousands)	2022	2021
Principal actuarial assumptions		
Discount rate	2.25%	0.30%
Average future salary increases	1.75%, from age 55 0%	1%, from age 55 0%
Future pension increases	0%	0%
Mortality tables used	BVG 2020 GT	BVG 2020 GT
Average retirement age	64/64	62/62
Employees covered by the major plans ¹	2 575	2 369
Retirees covered by the major plans	543	520
The average life expectancy in years of a pensioner retiring at age 64 (2021: 62) is as follows:		
Male	23.8	25.7
Female	25.6	27.5
Balance sheet (end of year)		
Fair value of plan assets	1 878 746	2 018 463
Defined benefit obligation	-1 839 947	-2 226 870
Asset ceiling ²	-38 799	0
Net assets/liabilities (funded status)	0	-208 407
Income statement		
Current service cost	-53 668	-54 463
Interest cost	-6 689	-3 342
Interest income	6 063	2 670
Curtailment, settlement, plan amendment gains/losses ³	0	-18 149
Administration expense	-260	-208
Net pension expenses	-54 554	-73 492
Actual return on plan assets	-202 924	182 328
Movements in the assets/liabilities recognized in the balance sheet		
At 1 January	-208 407	-447 701
Income/expense recognized in the income statement	-54 554	-73 492
Employer's contributions	59 020	55 298
Total prepaid/accrued pension cost	4 466	-18 194
whereof operating income/expense	5 092	-17 522
whereof financing income/expense	-626	-672
Total gains/losses recognized in other comprehensive income	203 941	257 488
At 31 December	0	-208 407

¹ Apprentices, trainees and certain part-time employees are not covered by the plans.

² IAS 19 requires to consider the recoverability of a surplus of plan assets over its liabilities. As there are no economic benefits available with the asset surplus the entire overfunding must be recognized as an expense in equity.

³ In 2021 the technical interest rate for active insured persons was reduced from 3.0% to 2.5%. The effect of the reduction in the amount of CHF 18.1 million is recognized in personnel expenses under pension costs (note 6).

	2022	2021
Movements in the defined benefit obligation		
At 1 January	-2 226 870	-2 226 894
Current service cost	-53 668	-54 463
Employees' contributions	-34 261	-32 030
Interest cost	-6 689	-3 342
Curtailements/settlements	0	-18 149
Benefits paid	29 814	30 178
Actuarial gains/losses on benefit obligation	451 727	77 830
At 31 December	-1 839 947	-2 226 870
Defined benefit obligation participants	-1 419 438	-1 722 128
Defined benefit obligation pensioners	-420 509	-504 742
Duration	13.5	15.8
Movements in the fair value of plan assets		
At 1 January	2 018 463	1 779 193
Interest income	6 063	2 670
Employer's contributions	59 020	55 298
Employees' contributions	34 261	32 030
Benefits paid	-29 814	-30 178
Administration expense	-260	-208
Return on plan assets excluding amount recognized in net interest	-208 987	179 658
At 31 December	1 878 746	2 018 463

Composition and fair value of plan assets at 31 December 2022	Quoted in an active market		Other		Total	%
	Domestic	Foreign	Domestic	Foreign		
Cash and cash equivalents	0	0	152 172	34 616	186 789	9.9
Real estate	152 319	0	176 139	0	328 457	17.5
Bonds	455	33 707	388 297	60 254	482 713	25.7
Equity	39 271	98 312	195 416	13 951	346 949	18.5
Alternative investments	6 640	34 038	87 208	408 438	536 324	28.5
Other assets/liabilities	-3 246	0	760	0	-2 486	-0.1
Total	195 438	166 056	999 993	517 259	1 878 746	100.0

Composition and fair value of plan assets at 31 December 2021	Quoted in an active market		Other		Total	%
	Domestic	Foreign	Domestic	Foreign		
Cash and cash equivalents	0	0	145 638	44 188	189 826	9.4
Real estate	164 296	0	186 465	0	350 761	17.4
Bonds	1 500	31 292	376 871	62 344	472 007	23.4
Equity	40 788	140 008	239 340	17 340	437 476	21.7
Alternative investments	36 152	21 287	122 331	390 227	569 996	28.2
Other assets/liabilities	0	0	-1 603	0	-1 603	-0.1
Total	242 735	192 586	1 069 042	514 100	2 018 463	100.0

Plan assets include property occupied by the Group with a fair value of CHF 13.3 million (2021: CHF 13.6 million).

Defined benefit pension plans	2022	2021
Remeasurements DBO	451 727	77 830
Actuarial gains/losses arising from plan experience	-69 764	-64 067
Actuarial gains/losses arising from demographic assumptions	-37 008	88 240
Actuarial gains/losses arising from financial assumptions	558 499	53 657
Remeasurements assets	-208 987	179 658
Changes due to asset ceiling	-38 799	0
Total recognized in other comprehensive income	203 941	257 488

Sensitivities	DBO	2022 Service cost	DBO	2021 Service cost
Discount rate +0.25%	-60 656	-2 345	-86 939	-3 358
Discount rate -0.25%	64 588	2 521	93 321	3 643
Salary increase +0.25%	10 456	770	14 574	1 038
Salary increase -0.25%	-10 233	-748	-14 243	-1 009
Pension increase +0.25%	37 945	1 089	60 995	1 820
Pension increase -0.25% (not lower than 0%)	0	0	0	0
Increase of life expectancy at retirement age by one year	71 453	2 362	83 139	3 107
Increase of retirement age by one year	7 569	969	36 014	3 100

The Group expects to recognize current service costs of CHF 40.1 million related to its defined benefit pension plans in 2023 (2022: CHF 53.7 million).

The measurement date for the Group's defined benefit plans is 31 December.

The above analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis have not changed compared with the previous period.

Nature of plans

IAS 19 (revised) specifies disclosure requirements with relation to pension plans, the regulatory framework and risk characteristics.

Regulatory framework

Pension plan legal structure

LGT currently operates two employer-specific defined benefit pension schemes, i.e. the LGT Group Pension Fund Foundation (Personalvorsorge-stiftung (PVS) der LGT Gruppe) in Switzerland and in Liechtenstein. Both pension schemes consist of a pension plan and a capital savings plan. The pension fund is a separate legal entity. Under Swiss and Liechtenstein law, all employees above a certain salary threshold are required to be members of the pension scheme. Minimum benefits are stipulated by law (for old-age, disability, death and termination). LGT's pension schemes cover more than legally prescribed minimum requirements.

The Foundation Board of the Pension Fund Foundation comprises eight individuals for the pension fund in Switzerland, and six individuals for the pension fund in Liechtenstein – 50% of whom are employer representatives, and the other 50% are employee representatives.

Other entity's responsibilities

The members of the Foundation Board determine the benefits to be provided, how these are to be financed and the fund's asset allocation. They are responsible vis à vis the beneficiaries and the authorities.

Special situation

The pension scheme has no minimum funding requirement (when the pension fund is in a surplus position), although it does have a minimum contribution requirement as specified below. In accordance with national legal provisions, where a pension fund is operated in a surplus position, limited restrictions apply in terms of the board member's ability to apply benefits to the members of the locally determined "free reserves". In cases where the pension fund enters into an underfunded status and if the underfunding cannot be resolved by the pension fund through other measures, the active members together with LGT are required to make additional contributions until such time as the pension fund is again in a fully funded position.

Funding arrangements that affect future contributions

Swiss and Liechtenstein law provides for minimum pension obligations on retirement. Swiss and Liechtenstein law also prescribes minimum annual contribution requirements. An employer may provide or contribute a higher amount than specified by Swiss and Liechtenstein law – such amounts are specified under the terms and conditions of the pension schemes. In addition, employers are able to make one-off contributions or prepayments to these pension funds. Although these contributions cannot be withdrawn, they are available to the company to offset its future employer cash contributions to the pension fund.

Even though a surplus may exist in the pension fund, Swiss and Liechtenstein law requires that minimum annual contribution requirements continue. For the active members of the pension fund, annual contributions are required from both the employer and the employee. The employer contributions must be at least equal to the employee contributions, but may be higher, as stated separately in the regulations of the pension fund.

Minimum annual contribution obligations are determined with reference to an employee's age and current salary, however, as indicated above, these can be increased under the pension schemes.

In the event that an employee leaves the employ of LGT prior to reaching a pensionable age, the termination benefit (pension scheme) and the cumulative balance of the savings contributions (capital savings scheme) are withdrawn from the pension scheme and invested in the pension scheme of the employee's new employer.

In the event of the liquidation of LGT, or the pension fund, LGT has no right to any refund of any surplus in the pension fund. Any surplus balance is to be allocated to the members (active and pensioners).

General risk

The company is exposed to the risk that the net pension liability can be affected by negative performance of the assets of the pension fund, significant changes in plan membership or changes in assumptions used for the defined benefit valuation of the plan. The sensitivities that apply to the main assumptions (discount rate, salary increase, pension increase, increase of life expectancy and increase of retirement age) have therefore been calculated and disclosed.

42 Long-term incentive scheme

Options outstanding at the end of the year were as follows:

LGT Group¹

Number of series	Year of issue	Expiry date	2021	Granted	Exercised	Lapsed/without value	2022
17	2015	1.4.2022	910	0	-910	0	0
18	2016	1.4.2023	1 703	0	-525	0	1 178
19	2017	1.4.2024	2 419	0	-513	0	1 906
20	2018	1.4.2025	3 077	0	-472	-15	2 590
21	2019	1.4.2026	3 910	0	-889	-10	3 011
22	2020	1.4.2027	4 017	0	0	-22	3 995
23	2021	1.4.2028	4 231	0	0	-20	4 211
Total			20 267	0	-3 309	-67	16 891

LGT Private Banking¹

Number of series	Year of issue	Expiry date	2021	Granted	Exercised	Lapsed/without value	2022
24	2022	1.4.2029	0	3 598	0	0	3 598
Total			0	3 598	0	0	3 598

LGT Capital Partners¹

Number of series	Year of issue	Expiry date	2021	Granted	Exercised	Lapsed/without value	2022
1	2022	1.4.2029	0	791	0	0	791
Total			0	791	0	0	791

¹ in 2022, separate options schemes were established for LGT Private Banking and Capital Partners employees. The participation in the LTIS of LGT Group for the Series up to 23 remains unchanged.

The fair value changes of the options of CHF 26.1 million for 2022 were charged to personnel expenses (2021: CHF 113.7 million). The total amount accrued due to the long-term incentive scheme is CHF 226.3 million (2021: CHF 257.4 million). Significant inputs to measure the fair value of the options are the economic value added as described in the Group accounting principles under employee medium-term benefits and the exercise price shown above.

43 Related-party transactions (CHF thousands)	2022	2021
The following emoluments were made by the Group to the members of the Foundation Board and to Group and business unit executives during the year:		
Total emoluments of Foundation Board members	4 868	5 008
Salaries and bonuses	13 086	13 861
Long-term incentive scheme	5 873	926
Total emoluments of Group and business unit executives	18 959	14 787
Loans, advances and commitments to the Foundation Board members and Group and business unit executives are made at preferential terms customary in the banking industry. Movements in these positions to the aforementioned related parties and close members of their families are as follows:		
Mortgages and other loans		
Carrying amount at the beginning of the year	2 523	2 825
Additions	0	0
Reductions	-400	-302
Carrying amount at the end of the year	2 123	2 523
Contingent liabilities		
Carrying amount at the beginning of the year	15	811
Additions	1 000	15
Reductions	0	-811
Carrying amount at the end of the year	1 015	15
The following deposits of the aforementioned related parties and close members of their families were reported at year-end:		
Deposits	71 441	71 014

Hedge fund and private equity co-investment plan of LGT's employees

Each year the employees of LGT Capital Partners Ltd., which acts as investment adviser to LGT's alternative assets investment vehicles, and members of LGT's management are invited to invest in the same private equity and hedge fund investments as LGT's customers. At 31 December 2022 LGT's employees had committed a total of USD 469.0 million (2021: USD 399.1 million) to the alternative investment co-investment plans.

Prince of Liechtenstein Foundation

A number of Group transactions were concluded with the Prince of Liechtenstein Foundation (POLF), the beneficiary of the LGT Group Foundation, in the normal course of business. The following loans and deposits were reported at year-end:

	2022	2021
Loans	2 508	2 785
Deposits	7 674	127 397

Post-employment benefit plans

A number of Group transactions were concluded with post-employment benefit plans in the normal course of business. The following deposits were reported at year-end:

	2022	2021
Deposits	64 463	55 218

44 Total fees charged by the auditor (CHF thousands)	2022	2021
Audit fees ¹	3 879	2 677
Audit related services ²	1 237	2 033
Tax services	1 109	592
Other fees	1 292	1 811
Total	7 517	7 112

¹ Fees related to group and stand-alone financial statements and regulatory audit.

² Fees related to accounting and regulatory compliance services and other audit and assurance services.

45 Business combinations (CHF thousands)

Crestone Wealth Management, Australia

On 12 May 2022, LGT acquired 100% of Crestone Wealth Management, Australia (now known as LGT Crestone Wealth Management). Since that date, the entities have been fully consolidated according to the acquisition method.

In the period from 12 May to 31 December 2022, Crestone contributed CHF 57.1 million to operating income and CHF -1.5 million to LGT's profit. Had the business already been acquired on 1 January 2022, LGT's operating income would have amounted to CHF 2 340.6 million and Group profit to CHF 422.4 million.

Details of the net assets acquired and goodwill are as follows:

	2022
Cash paid	166 565
Contingent consideration	131 584
Total purchase price	298 149
Fair value of net assets acquired	-79 309
Total goodwill	218 840

The goodwill arising from the acquisition consists largely of synergies expected from combining the operations, the expertise of the employees acquired and obtaining a significant foothold and network in the Australian market. Contingent consideration relates to the amount that will become payable in 2026 and was measured at fair value at the date of recognition. The calculation of the contingent consideration is based on multiples. We estimate that the contingent consideration will be between CHF 126.8 million and CHF 215.3 million.

The assets and liabilities arising from the acquisition are as follows:

	2022
Loans and advances to banks	28 868
Property and equipment	5 151
Intangible assets	86 989
Prepayments and accrued income	2 463
Other assets	8 408
Amounts due to customers	6 858
Accruals and deferred income	7 735
Deferred tax liabilities	22 792
Provisions	611
Other liabilities	14 574
Net assets acquired	79 309
Purchase price paid in cash or cash equivalents	166 565
Cash and cash equivalents in acquired entities	28 868
Cash outflow on acquisition	-137 697

Validus Wealth

On 19 August 2022, LGT acquired the wealth management business of Validus Wealth. Since that date, the business, which has become part of LGT Wealth India Private Limited, has been fully consolidated according to the acquisition method.

In the period from 19 August to 31 December 2022, Validus Wealth contributed CHF -0.1 million to operating income and CHF 0.0 million to LGT's profit. Had the business already been acquired on 1 January 2022, LGT's operating income would have amounted to CHF 2 306.8 million and Group profit to CHF 418.1 million.

Details of the net assets acquired and goodwill are as follows:

	2022
Cash paid	23 685
Total purchase price	23 685
Fair value of net assets acquired	-7 561
Total goodwill	16 124

The goodwill arising from the acquisition consists largely of synergies expected from combining the operations, the expertise of the employees acquired and obtaining a significant foothold and network in the Indian market.

The assets and liabilities arising from the acquisition are as follows:

	2022
Intangible assets	7 561
Net assets acquired	7 561
Purchase price paid in cash or cash equivalents	23 685
Cash and cash equivalents in acquired entities	0
Cash outflow on acquisition	-23 685



Risk management

1. Risk management framework and process

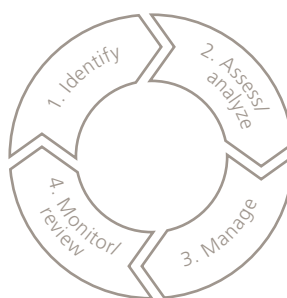
Risk is defined by the adverse impact on profitability of several distinct sources of uncertainty. Taking risk is inherent to the financial business and an inevitable consequence of being in business. This note presents information about the Group’s risk exposure and the objectives, policies and processes for measuring and managing the different risk categories.

The risk policy of LGT comprises two key elements. The risk strategy, which details the overall approach to risk-taking desired by the Board, and the risk principles, which translate the risk strategy into operating standards for both the risk organization and the required risk processes.

Consistent with the overall business strategy, the aim of risk management is to achieve an appropriate balance between risk and return and minimize potentially adverse effects on the financial performance of the Group.

LGT employs the “Internal Capital Adequacy Assessment Process” (ICAAP), based on the standards of the Basel Committee on Banking Supervision, to ensure a capital basis appropriate to its risk situation. Several risk management policies are in place to identify, assess and analyze the different risk categories, to set guidelines, appropriate risk limits and controls (risk mitigation) and to monitor the risks and adherence to limits with reliable and up-to-date information systems. The effectiveness of the risk policy, risk process and risk organization is regularly reviewed. The figure illustrates the four equivalent key elements of the LGT risk process.

Risk process



The Foundation Board is responsible for the Group’s risk policy and its regular review. Risk monitoring is conducted on a daily basis by the line management. Overall responsibility for risk management lies with the executive management teams of each business unit. The risk controlling units oversee the risk-taking activities of the Group. The control of risk is thus conducted

outside of and independently of line management. LGT’s risk controlling units are responsible for risk supervising and risk reporting for the entire Group.

LGT has identified several types of risk to which it is exposed and applied them in ICAAP.

Risk categories

Strategic and business risk			
Market risk Interest rates Currency/Commodity Equity prices Asset and Liability Management	Liquidity and funding risk Cash flows Refinancing	Credit risk Counterparty default Concentration Collateral	Operational risk Internal processes People Systems External events
Regulatory and reputational risk			

Additional unaudited information in the context of the Capital Requirements Regulation (CRR, part 8) is available on the internet (www.lgt.com).

2. Strategic and business risk

Strategic risk is the danger of losses arising from strategic decisions, changes in the economic and competitive environment, inadequate or insufficient implementation of strategic objectives, or lack of capability to adjust to changing economic needs. Moreover, it comprises the danger of losses resulting from the dependency on highly qualified staff.

Business risk arises from unexpected changes in market conditions having a negative impact on profitability.

3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency, commodity and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and commodity or equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios.

Trading portfolios consist of positions arising from LGT's proprietary trading activities which are primarily pursued to support the Group's private banking and asset management business. Non-trading portfolios primarily arise from the interest rate management of the Group's banking assets and liabilities. They are an integral part of the asset and liability management (ALM) that manages the interest rate risk in the banking book and the group-wide foreign exchange risk. Non-trading portfolios also consist of equity investments.

3.1. Market risk measurement and limitation

For trading portfolios and selected non-trading portfolios, different approaches are used to quantify and limit market risk on a daily basis for each portfolio (e.g. Value at Risk (VaR) limits, sensitivity limits or nominal limits). Potential losses in market values arising from trading portfolios have to meet the Group's risk appetite defined by the Foundation Board.

The ALM profile and the corresponding risks are limited on Group level and for each of the banking entities separately. They are in line with the objectives and principles defined by the Foundation Board. The risk limits are defined as the change in the market value of equity for standardized shifts in interest and exchange rates, respectively. In addition, gap and key rate dura-

tion limits are defined to limit maturity mismatch activities. The limits set for the ALM profile are considered to be conservative.

The table on the next page shows a summary of LGT's sensitivity analysis for securities portfolios.

LGT also performs stress tests to obtain an indication of the potential size of losses that could arise in extreme conditions. The stress testing applies stress movements of each risk category and ad hoc stress testing, which includes applying possible stress events to specific positions, portfolios or regions. The stress testing is tailored to the business and typically uses scenario analysis.

3.2. Market risk organization and reporting

The Foundation Board establishes objectives and principles for the trading business for own account and risk as well as the ALM on a group-wide level.

Operative market risk limits on trading portfolios and selected non-trading portfolios must be approved by the CEO of LGT. The market risk arising from these trading and non-trading portfolios is monitored by Group Risk Controlling on an overnight basis. Furthermore, the trading portfolios are monitored intraday by the Trading department's Risk Management function. Regular reports are submitted to Group and local management. Moreover, the Group Trading and Investment Committee (GTIC) is responsible for the regular review of all trading activities and for ensuring the effectiveness of the risk policy, risk processes and the risk organization.

In terms of ALM, responsibility for monitoring and control of interest rate and exchange rate risk lies with the Asset and Liability Committee (ALCO), which also defines basic principles for the refinancing activity of LGT (focusing on medium- to long-term money) and advises the CEO of LGT on capital market transactions.

Summary sensitivity analysis (CHF thousands)

Negative fair value change reflected in income statement at 31 December 2022	Interest rate +100 bps	Currency -10%	Equity price -10%
Trading portfolio/designated at fair value	7 303	150 228	25 954
Total	7 303	150 228	25 954

Negative fair value change reflected in income statement at 31 December 2021	Interest rate +100 bps	Currency -10%	Equity price -10%
Trading portfolio/designated at fair value	11 216	167 709	31 977
Total	11 216	167 709	31 977

Negative fair value change reflected in equity at 31 December 2022	Interest rate +100 bps	Currency -10%	Equity price -10%
Non-trading portfolios	8 658	465 390	487 832
Total	8 658	465 390	487 832

Negative fair value change reflected in equity at 31 December 2021	Interest rate +100 bps	Currency -10%	Equity price -10%
Non-trading portfolios	12 054	586 325	569 399
Total	12 054	586 325	569 399

3.3. Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

Exchange rate risk control is implemented within the framework of LGT's overall appetite for risk. The aim of an appropriate asset and liability risk management system is to manage the exchange rate risk of LGT to optimum effect. The limits must be applied using appropriate limit types to reflect the risk. In this context sensitivity limits for limiting the maximum potential loss on the market value of shareholders' equity are defined overall and for each currency separately.

The following table summarizes the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Group's financial instruments at carrying amounts, categorized by currency.

Foreign exchange exposure at 31 December 2022 (CHF thousands)	CHF	EUR	USD	Other	Total
Cash in hand, balances with central banks	3 828 096	52 930	1 000	48 376	3 930 402
Loans and advances to banks	10 784 360	2 532 109	1 806 018	402 357	15 524 843
Loans and advances to customers	5 394 678	4 734 945	5 607 209	3 302 820	19 039 653
Financial instruments at amortized costs	5 393 559	0	0	1 656 394	7 049 952
Securities held for trading purposes	14 444	0	411 517	821 790	1 247 750
Investment securities at fair value	4 991 172	695 893	3 381 143	691 024	9 759 231
Investment in associates	73 284	0	0	0	73 284
Remaining assets	2 674 494	246 850	56 122	1 501 978	4 479 443
Total assets	33 154 085	8 262 726	11 263 008	8 424 740	61 104 559
Amounts due to banks	370 840	1 249 754	2 207 978	705 132	4 533 704
Amounts due to customers	6 628 604	8 099 569	23 666 205	5 945 540	44 339 919
Financial liabilities designated at fair value	0	185 905	0	0	185 905
Certificated debt	2 564 251	4 723	0	0	2 568 975
Remaining liabilities	2 789 862	119 418	126 399	418 618	3 454 298
Total liabilities	12 353 558	9 659 370	26 000 583	7 069 290	55 082 801
Net foreign exchange exposure of balance sheet	20 800 527	-1 396 644	-14 737 575	1 355 450	6 021 758
Derivative financial instruments	-15 600 346	1 632 178	14 662 593	-1 118 942	-424 518
Total net foreign exchange exposure	5 200 181	235 534	-74 982	236 508	5 597 240

Foreign exchange exposure at 31 December 2021	CHF	EUR	USD	Other	Total
Cash in hand, balances with central banks	9 129 472	1 774 162	1 276	47 293	10 952 202
Loans and advances to banks	2 673 731	652 491	1 193 866	780 346	5 300 433
Loans and advances to customers	5 107 474	4 428 161	6 493 896	3 375 227	19 404 758
Securities held for trading purposes	3 453	0	309 314	1 021 506	1 334 272
Investment securities at fair value	5 947 346	1 059 419	3 295 638	1 825 020	12 127 422
Remaining assets	1 945 888	288 435	138 098	1 384 119	3 756 540
Total assets	24 807 363	8 202 668	11 432 087	8 433 510	52 875 628
Amounts due to banks	127 957	179 782	1 132 071	281 184	1 720 995
Amounts due to customers	5 695 554	7 415 905	20 517 660	6 242 764	39 871 882
Financial liabilities designated at fair value	0	252 397	0	0	252 397
Certificated debt	2 364 474	9 356	0	0	2 373 830
Remaining liabilities	2 055 381	136 324	125 041	292 955	2 609 700
Total liabilities	10 243 367	7 993 764	21 774 772	6 816 903	46 828 805
Net foreign exchange exposure of balance sheet	14 563 996	208 904	-10 342 685	1 616 607	6 046 823
Derivative financial instruments	-9 123 745	-30 741	10 418 721	-1 401 285	-137 050
Total net foreign exchange exposure	5 440 251	178 164	76 036	215 322	5 909 773

3.4. Interest rate risk

Interest rate risk associated with non-trading financial instruments (loans and advances, fixed-income securities, term deposits, certificated debt, and derivative financial instruments) is part of the Group's asset and liability management process. The Asset and Liability Committee decides on any appropriate use of derivative financial instruments. The principal interest-related derivatives used are interest rate and cross currency swaps. LGT also applies fair value hedge accounting to mortgage loan and bond portfolio interest rate risk.

Interest rate risk control is implemented within the framework of LGT's overall appetite for risk. The aim of an appropriate asset and liability risk management system is to manage the interest rate risk of LGT to optimum effect. The limits must be applied using appropriate limit types to reflect the risk. The following limit types are used in this context:

- Sensitivity limits to restrict the maximum potential loss in the market value of equity for various interest rate scenarios.
- Gap limits for limiting matching maturities within specific maturity segments.
- Key rate duration limits for limiting the maximum potential loss on the fair value of equity resulting from detrimental market movements in specific interest rate tenors.

The following analysis shows the absolute changes in fair values given a change of the respective key rate by +100 basis points.

Interest rate sensitivity analysis (CHF million)	Within 6 months	More than 6 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Currencies 2022	12.2	0.3	22.1	53.3	88.0
CHF	13.5	4.0	29.2	52.8	99.6
USD	0.2	-2.0	-1.0	-0.2	-3.0
EUR	-0.0	-0.9	-1.8	0.9	-1.7
Currencies 2021	-0.7	-4.2	7.2	51.5	53.8
CHF	3.7	1.2	23.3	51.7	79.9
USD	-4.2	-0.8	-2.2	-0.1	-7.4
EUR	-1.3	-1.8	-7.7	-0.0	-10.8

The table below summarizes the average interest rate by major currencies for monetary financial instruments not carried at fair value through profit or loss.

	at 31 December 2022			at 31 December 2021		
	CHF in %	EUR in %	USD in %	CHF in %	EUR in %	USD in %
Assets						
Loans and advances to banks	0.93	1.19	3.94	-0.78	-0.53	0.26
Loans and advances to customers	1.17	2.55	5.46	0.78	0.98	1.39
Financial instruments at amortized costs	0.00	–	–	–	–	–
Investment securities measured at FVOCI – debt instruments	0.11	0.66	3.05	0.08	0.31	0.96
Liabilities						
Amounts due to banks	0.52	1.04	3.63	-1.33	-0.21	0.13
Amounts due to customers	0.28	0.91	3.18	-0.12	-0.16	0.05
Certificated debt	0.75	0.16	–	0.57	0.06	–
Lease liabilities	0.03	3.39	4.50	0.00	0.19	1.69

4. Liquidity risk

Liquidity risk is the risk that LGT may not be able to meet obligations as they fall due or to fund increases in assets without affecting either its normal daily operations or its financial condition. This can be caused by the inability to liquidate assets or to obtain funding.

Liquidity risk management primarily aims to establish a strong liquidity position by holding sufficient liquid assets and seeking a stable funding structure that can survive a number of stress scenarios. This is achieved by attracting a diversified funding base and by maintaining a strong and high-quality liquid asset portfolio of cash and marketable securities that can be monetized or pledged as collateral in the event of liquidity stress.

In general, LGT follows a centralized approach in the management of liquidity risk so far as possible from an operational and regulatory perspective. Group Treasury's mandate is to manage the overall liquidity and funding position, with Group Risk Controlling acting as an independent control function, responsible for establishing, monitoring and reviewing the liquidity position, liquidity risk models and limits.

The Group's liquidity and funding risk management framework includes:

- Internal liquidity stress testing by projecting all material cash flows arising from on- and off-balance sheet items over an appropriate set of time horizons and for different stress scenarios
- Establishing funding principles that ensure effective diversification of sources and tenor of funding
- Maintaining a portfolio of unencumbered, high-quality liquid assets as insurance against liquidity shortfalls
- Cost-benefit allocation mechanism to ensure that liquidity is adequately priced
- Managing the intraday liquidity position to ensure that payment and settlement obligations are met in a timely manner
- Establishing adequate risk tolerance limits

In addition, LGT maintains a contingency plan that comprises the monitoring of a range of indicators as early warning signs, clear invocation rules and responsibilities as well as action plans to manage liquidity stress events of varying severity.

In the following table, assets and liabilities are structured according to contractual terms. It summarizes the overall funding and investment structure of the Group.

Cash flow of assets and liabilities at 31 December 2022 (CHF thousands)	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Cash in hand, balances with central banks	3 909 588	0	0	0	0	3 909 588
Loans and advances to banks	14 846 962	191 963	366 129	93	0	15 405 146
Loans and advances to customers	12 823 346	2 809 318	1 628 818	1 320 284	596 566	19 178 331
Financial instruments at amortized costs	3 309 825	3 080 205	674 061	0	0	7 064 091
Derivative financial instruments	45 806 030	42 253 295	13 574 762	791 045	53 166	102 478 298
Investment securities at fair value	225 732	430 587	919 945	3 304 066	177 217	5 057 548
Total assets	80 921 484	48 765 368	17 163 715	5 415 487	826 949	153 093 003
Amounts due to banks	3 513 178	609 876	178 815	405	0	4 302 274
Amounts due to customers	34 132 707	5 468 305	3 866 787	89 632	0	43 557 431
Derivative financial instruments	45 859 283	42 452 462	13 583 715	634 867	29 844	102 560 171
Certificated debt	206	305 780	26 935	1 180 406	1 156 399	2 669 727
Lease liabilities	5 857	6 192	34 614	127 516	81 414	255 594
Total liabilities	83 511 231	48 842 615	17 690 866	2 032 827	1 267 658	153 345 196
Committed credit lines	2 622 341	0	0	0	0	2 622 341
Contingent liabilities	363 418	0	0	0	0	363 418

Cash flow of assets and liabilities at 31 December 2021	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Cash in hand, balances with central banks	10 927 088	0	0	0	0	10 927 088
Loans and advances to banks	4 063 435	480 042	470 768	98	0	5 014 343
Loans and advances to customers	13 405 045	2 435 472	1 660 436	1 324 147	689 943	19 515 042
Derivative financial instruments	52 867 201	37 193 328	15 523 714	478 171	10 166	106 072 581
Investment securities at fair value	896 859	1 050 763	1 165 451	2 950 407	152 051	6 215 531
Total assets	82 159 629	41 159 605	18 820 369	4 752 822	852 161	147 744 586
Amounts due to banks	1 004 067	137 274	60 953	0	0	1 202 293
Amounts due to customers	34 213 270	2 808 844	1 784 874	8 092	0	38 815 079
Derivative financial instruments	52 892 591	37 301 957	15 524 622	474 781	6 754	106 200 705
Certificated debt	13 939	18 798	26 198	1 125 531	1 244 477	2 428 943
Lease liabilities	5 365	5 640	32 584	137 956	89 794	271 340
Total liabilities	88 129 231	40 272 513	17 429 231	1 746 360	1 341 025	148 918 360
Committed credit lines	1 777 799	0	0	0	0	1 777 799
Contingent liabilities	375 093	0	0	0	0	375 093

Derivative cash flows at 31 December 2022 (CHF thousands)	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Derivatives held for trading/hedging						
Foreign exchange derivatives						
Outflow	45 539 914	42 303 673	13 086 718	495 316	19 742	101 445 363
Inflow	45 486 811	42 103 552	13 037 183	499 394	20 460	101 147 399
Interest rate derivatives						
Outflow	3 441	12 402	38 420	105 864	10 102	170 230
Inflow	5 458	18 159	84 169	259 082	32 706	399 573
Other derivatives						
Outflow	315 928	136 386	458 577	33 687	0	944 578
Inflow	313 761	131 584	453 410	32 569	0	931 325
Total outflow	45 859 283	42 452 462	13 583 715	634 867	29 844	102 560 171
Total inflow	45 806 030	42 253 295	13 574 762	791 045	53 166	102 478 298

Derivative cash flows at 31 December 2021	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Derivatives held for trading/hedging						
Foreign exchange derivatives						
Outflow	52 719 977	37 188 540	15 097 317	296 374	0	105 302 207
Inflow	52 694 839	37 084 661	15 102 878	294 580	0	105 176 958
Interest rate derivatives						
Outflow	1 829	6 033	20 692	70 303	6 754	105 611
Inflow	-516	1 361	4 432	75 546	10 166	90 990
Other derivatives						
Outflow	170 785	107 384	406 613	108 105	0	792 887
Inflow	172 879	107 306	416 404	108 045	0	804 633
Total outflow	52 892 591	37 301 957	15 524 622	474 781	6 754	106 200 705
Total inflow	52 867 201	37 193 328	15 523 714	478 171	10 166	106 072 581

5. Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet its contractual obligation and causes LGT to incur a financial loss. Credit risk exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Group's asset portfolio. Further, there is also credit risk in derivative financial instruments and off-balance sheet financial instruments, such as loan commitments and financial guarantee contracts.

Within LGT, credit risk is primarily incurred by LGT's banking entities. The credit risk management and control functions are therefore located in these units. The Group Credit Committee (GCC) together with the Chief Credit Officer (CCO) has the overall responsibility for the credit business, including comprehensive credit portfolio management as well as credit risk-relevant aspects involving trading counterparties, proprietary books and country exposures. The conservative lending policy is established by internal directives, guidelines and written policy papers. These guidelines include: (i) regulations on maximum single credit lines, (ii) limits on unsecured lending exposures to any one customer or customer group, and (iii) strict credit handling procedures and internal controls.

5.1. Credit risk strategy

LGT's credit strategy and credit management guidelines and processes are defined by the LGT Group Foundation Board in the organizational guidelines and regulations of LGT Group Foundation and LGT Group. The credit strategy comprises client segmentation, target products and target markets. Lending is an integral part of the business philosophy of LGT and complementary to the wealth management services offered. Any transaction must be viewed in the context of the overall client relationship. Credits enhance clients' commitment to LGT, facilitate the development of the client relationships and support the acquisition of target clients. It is not the policy of LGT to extend credit facilities on a stand-alone basis, but only in conjunction with assets deposited or to be deposited with LGT. In its credit business, LGT has strong expertise in execution, process and solution engineering, and focuses on Lombard and mortgage loans, which are managed with a prudent risk appetite. The risk appetite of LGT is low to moderate. LGT's lending business is centralized within the credit function at LGT Bank Ltd., Vaduz. The credit staff in all other banking subsidiaries of LGT Group have a functional reporting line into this credit function.

As part of its comprehensive system for monitoring lending exposures, regular reports are provided to the Foundation Board on a group level. They include information on (i) credit risk ratings, (ii) allowances, (iii) country exposures, and (iv) bank limits. Stress testing of securities and property collateral is carried out regularly and on an ad hoc basis if requested by management. In addition, ad hoc reports on special events, as well as daily reports on global exposures to specific customers, are provided on request.

5.2. Credit risk measurement

Loans and advances

In measuring credit risk of loans and advances to customers and to banks at a counterparty level, the Group assesses the

probability of default of individual counterparties using internal rating tools. They have been developed internally and combine statistical analysis with the judgment of credit officers and are validated, where appropriate, by comparison with rating data from third-party providers. The Group regularly validates the performance of the rating tools and their predictive power with regard to default events.

Loans and advances to banks are highly diversified, consisting of a large number of mainly European banks of prime quality. As of 31 December 2022, 77% of LGT's money market lending and money market papers exposure has a rating of at least "AA", and 98% has a minimum rating of "A". LGT closely monitors these positions and follows strict criteria when assessing a counterparty's creditworthiness.

Debt securities and other bills

For debt securities and other bills, ratings by external credit rating agencies are used to manage the credit risk exposures. The credit function at LGT Bank Ltd., Vaduz, is responsible for extending counterparty limits, while the treasury department manages the individual positions within these limits. Investments in these securities and bills also represent a method for maintaining a readily available financing source to meet funding requirements.

As of 31 December 2022, over 86% of debt securities have a rating of at least "Aa/AA", with over 98% rated at least "A".

Assets by countries

In addition to the limitation of credit exposures of customers or customer groups, LGT restricts the group of countries in which credit risks may be incurred. These countries are subject to limits that are reviewed at least annually by the GCC. The table below shows the allocation of assets by countries/country groups:

Assets by countries/country group (CHF thousands) ¹	2022	in %	2021	in %
Liechtenstein and Switzerland	29 150 495	47.7	21 293 894	40.3
Other Europe	13 136 465	21.5	13 466 934	25.5
Americas	1 787 352	2.9	3 361 861	6.4
Asia	8 449 444	13.8	8 510 313	16.1
Other countries	8 580 803	14.1	6 242 626	11.8
Total	61 104 559	100.0	52 875 628	100.0

¹ Based on risk domicile of the assets.

Derivative financial instruments

The Group maintains strict control limits on derivative positions. At all times, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Group, which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements (an add-on factor is calculated depending on underlying risks and time to maturity of the contract).

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day. As a member of the Continuous Linked Settlement (CLS) network, LGT is able to mitigate major parts of its daily settlement risk via forex netting.

Off-balance sheet financial instruments

The primary purpose of off-balance sheet financial instruments is to ensure that funds are available to a customer as required. LGT has credit commitments in the form of guarantees and standby letters of credit. These credit commitments carry the same credit risk as loans, and the same lending criteria and identical limitation processes are therefore applied.

5.3. Risk limit control and mitigation policies

LGT systematically manages, limits and controls concentrations of credit risk. As part of the credit risk management policy, exposures are structured by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical segments. The risks and their changes are closely monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Ongoing monitoring of all credits lies primarily within the responsibility of the relevant credit advisor or credit risk manager. In addition, Credit Portfolio Management, which is part of the Credit department of LGT Bank Ltd., Vaduz, monitors all credit exposures within defined parameters. Centralized loan approval procedures ensure a consistent lending process. The credit approval process must be in line with the credit risk management guidelines (management view) and must comply with regulatory and corporate

governance requirements (regulatory view). Processes, competences, credit application forms, and rating and pricing tools are in place for all booking centers. Formal requirements must be fulfilled for all credits and high standards apply for both the internal and external credit documentation. The depth of the due diligence shall be adequately reflected in the credit application and depends on complexity of the credit transactions, collateral composition, counterparties and jurisdictions involved.

In line with its conservative credit policy, a significant portion of the Group's credit exposure is mitigated. The principal collaterals used within LGT are mortgages over residential properties and charges over financial instruments such as debt securities, equities and funds. Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to market prices or indexes of similar assets. In the context of Lombard loans, standard loan-to-values (LTVs) and margin requirements for trading products are approved by the CCO. They apply to all legal entities of LGT Group and are implemented by the credit function of LGT Bank Ltd., Vaduz. Country and currency categorizations are taken into consideration when applying a standard LTV. Each standard LTV is determined according to specific criteria, such as country and issuer ratings for bonds, market capitalization, tradability and volatility for equities, and volume and liquidity for funds. The total collateral value is based on quality and composition (diversification) of the pledged securities. Because mortgages are granted primarily within Liechtenstein and Switzerland, LGT is exposed to the market trends of the real estate sector in these countries. For their high-net-worth private banking customers, LGT also offers real estate financing solutions in selected other countries such as Austria, France, the UK, Singapore and Hong Kong.

When trading derivatives with banking counterparties in the interbank market, the Group uses netting and credit support agreements to mitigate credit risk.

Collateral accepted as security for assets (CHF thousands)	2022	2021
Fair value of financial assets accepted as collateral that the Group is permitted to sell or repledge in the absence of default	12 929 194	2 591 540

5.4. Expected credit loss (ECL) measurement

IFRS 9 ECL are recognized on the following basis: maximum 12-month ECL are recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 1.

Lifetime ECL are recognized if there is a significant increase in credit risk (SICR) subsequent to the instrument's initial recognition, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 2. If an SICR is no longer observed, the instrument will move back to Stage 1. Lifetime ECL are always recognized for credit-impaired financial instruments, referred to as instruments in Stage 3. Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit-impaired on initial recognition. Their ECL are always measured on a lifetime basis (Stage 3).

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired assets
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

5.5. Significant increase in credit risk (SICR)

Financial instruments subject to ECL are monitored on an on-going basis. To determine whether the recognition of a 12-month ECL continues to be appropriate, it is assessed whether a SICR has occurred since initial recognition of the financial instrument. The assessment criteria include both quantitative and qualitative factors.

Loans and advances to customers

LGT assesses increases in credit risk for its two major customer credit portfolios (Lombard credits and Mortgages) by incorporating forward-looking information. In addition, credit risk is generally deemed to have significantly increased for mortgage positions if the borrower becomes more than 30 days past due on their contractual payments. For the Lombard portfolio a SICR occurs since initial recognition when positions are overdrawn

(i.e. pending margin call), but the loan is still sufficiently covered by collateral. Due to the highly collateralized nature of the Lombard portfolio, the overdrawn amounts are multiplied by a factor to calculate the ECL in order to reflect the history of low credit losses. The factor applied will be subject to periodical review based on various factors, like the history of credit losses in the Lombard portfolio, the assessment of the available forward-looking information for Lombard loans, etc.

For commercial loans and financing of LGT inhouse funds, a SICR is based on a rating comparison (i.e. the rating since initial recognition and the prevailing rating at the reporting date). Within the customer loan portfolio, the approach of a rating downgrade represents a simplified approach, reflecting the fact that this criterion will be applied only for a very small portion of the overall client loan portfolio.

Loans and advances to banks

This portfolio comprises all on-balance sheet exposures with a bank/financial institution as counterparty. It includes unsecured money market lending, secured reverse-repo lending and cash accounts. Every bank carries an internal credit rating, as a result of (i) mapping from an external rating, or (ii) based on own internal analysis. For all loans and advances to banks, a SICR is based on a rating comparison (i.e. the rating since initial recognition and the prevailing rating at the reporting date). A SICR occurs if the credit rating deteriorates by two notches and at the same time there is a downgrade from investment grade to non-investment grade. For positions below investment grade since inception, only the two-notch criteria apply. If the credit rating improves and the deterioration from its initial rating is less than two notches and if applicable, there is an upgrade from non-investment grade to investment grade, the position will be reclassified to Stage 1.

5.6. Definition of default and credit-impaired assets

LGT defines a financial instrument as "in default", i.e. it is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Qualitative indicator: We consider that the obligor is unlikely to pay its credit obligations to LGT or any of its subsidiaries in full, without recourse by LGT to actions such as realizing security.
- Objective indicator: The obligor is past due more than 90 days on any material credit obligation to LGT or any of its subsidiaries

- A default event shall be considered to have occurred with regard to a particular obligor when either of the above criteria is met, or both are met
- For the purpose of the qualitative indicator, elements to be taken as indications of unlikelihood to pay shall include the following:
 - LGT puts the credit obligation on non-accrued status;
 - LGT recognizes a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to LGT taking on the exposure;
 - LGT intends to sell or sells the credit obligation at a material credit-related economic loss;
 - LGT consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant, fees;
 - LGT has filed for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to LGT or any of its subsidiaries;
 - the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to LGT or any of its subsidiaries.

The criteria above have been applied to all financial instruments held by LGT and are consistent with the definition of default used for internal credit risk management purposes.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of 12 months (shorter periods may apply for short-term loans like Lombard).

5.7. Measuring ECL, explanation of inputs, assumptions and estimation techniques

The ECL are measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The ECL is determined by multiplying the projected PD, LGD and EAD for each individual exposure. For revolving products, an average duration for the definition of lifetime PD is determined based on expert judgment and historical analysis.

The assumptions underlying the ECL calculation are reviewed regularly. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

5.8. Forward-looking information incorporated in the ECL models, assumptions and sensitivity analysis

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. Within the loans and advances to customers category, LGT has performed historical analysis and identified variables affecting credit risk and ECL for its two major credit portfolios (Lombard credits and Mortgages). Given the highly collateralized nature of LGT's credit portfolio, these variables focus on the impact of market price reductions in the value of the collateral, including changes in foreign currency exchange rates. The applied markdowns are subject to ongoing review, based on historical market data and expert judgment. In addition to these "base scenario" markdowns, possible alternative scenarios with regard to market price reductions are also applied, in order to assess the sensitivity of the results from specific factors.

For the Lombard credit portfolio, the Credit Portfolio Management function at LGT Bank Ltd., Vaduz, conducts periodic scenario analysis on a Group level. In addition, LGT also conducts individual scenarios on an ad hoc basis, for example, on specific asset classes or collateral from a specific country or collateral from a specific issuer. Based on the results of the analysis, if deemed necessary, specific credit positions with elevated risks are checked for and discussed in detail with the responsible Credit Advisor and/or Relationship Manager, including potential measures to improve a position. Based on this discussion of individual loans, if deemed necessary by the credit authorities, an individual loan position may be downgraded to Stage 2. Given that there is no effective overdraft yet, the credit authorities will decide, based on the results of the scenario analysis, whether or not and to what amount an additional building of ECL (based on individual calculations per loan positions) is deemed necessary and appropriate.

As for the mortgage portfolio, the Credit Portfolio Management function at LGT Bank Ltd., Vaduz, conducts periodic scenario analysis on a Group level, based on different levels of market/price corrections in relation to various characteristics of the mortgage position. An internal working group of mortgage ex-

perts reviews the scenarios and the applied markdowns annually. They base their opinions on their ongoing monitoring of the real estate markets LGT operates in, including various market research and analyst reports by international real estate appraisers, investment banks, etc. Currently, the applied markdowns are defined according to the following characteristics of real estate collateral: type of object, location and date of valuation of object.

Based on the results of the analysis, specific credit positions with elevated risks are checked for and discussed in detail with the responsible Credit Advisor and/or Relationship Manager, including potential measures to improve a position, if deemed necessary. Based on this discussion of individual loans, in case elevated risks are detected and, if deemed necessary by the credit authorities, the individual mortgage position will be downgraded to Stage 2.

In order to assess the sensitivity of the results from the specific factors, the Group Risk Controlling function also regularly conducts a separate risk analysis for both, the Lombard and the

mortgage portfolio, based on different markdown factors. This also provides for an additional independent risk review for senior management.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and the actual outcomes may therefore be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and the chosen scenarios are appropriately representative of the range of possible scenarios.

5.9. Credit risk exposure

The following table summarizes the gross carrying amounts, impairment allowance by stage, carrying amounts and fair value of collateral held of those financial assets that are measured at amortized cost or at FVOCI as well as certain off-balance sheet positions. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

Exposure to credit risk (CHF thousands)					2022	
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Impairment allowance	Carrying amount	Fair value of collateral held
Cash in hand, balances with central banks	0	0	0	0	3 930 402	0
Loans and advances to banks	1 118	1	0	1 119	15 524 843	12 906 336
Loans and advances to customers	8 745	450	13 985	23 179	19 039 653	113 627 121
Financial instruments at amortized costs	254	0	0	254	7 049 952	0
Investment securities at FVOCI	209	0	0	209	4 622 194	0
Total on-balance sheet assets	10 326	452	13 985	24 762	50 167 044	126 533 456
Financial guarantee contracts and loan commitments	67	33	0	100	2 185 801	0
Total	10 392	485	13 985	24 862	52 352 845	126 533 456

Exposure to credit risk					2021	
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Impairment allowance	Carrying amount	Fair value of collateral held
Cash in hand, balances with central banks	0	0	0	0	10 952 202	0
Loans and advances to banks	1 353	2	0	1 355	5 300 433	2 455 265
Loans and advances to customers	8 157	582	16 339	25 077	19 404 758	106 165 562
Investment securities at FVOCI	350	0	4 040	4 390	6 092 874	0
Total on-balance sheet assets	9 859	584	20 379	30 822	41 750 267	108 620 827
Financial guarantee contracts and loan commitments	65	86	17 254	17 404	1 637 782	0
Total	9 924	670	37 633	48 226	43 388 049	108 620 827

5.10. Collateral and other credit enhancements

LGT employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. LGT has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

LGT prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Trading in derivatives is also collateralized to a large extent by using credit support agreements.

LGT's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by LGT since the prior period.

LGT closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that LGT will take possession of collateral to mitigate potential credit losses. The exposure of such assets held as at 31 December 2022 and 2021 was not material.

5.11. Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent step up (or step down) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period as well as impacts on the measurement of ECL due to changes made to models and assumptions;

- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

Due to the credit quality of the portfolio, the war in Ukraine did not have an impact on LGT's capital and liquidity position, which remained strong. The total amount of the undiscounted ECL allowance for financial assets measured at amortized cost or FVOCI was CHF 25.2 million (2021: 44.2 million). The changes in the loss allowance between the beginning and the end of the annual period, considering also transfer between stages, was not material.

5.12. Write-off policy

LGT writes off financial assets against the related provision for loan impairment, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity, and (ii) where LGT's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

LGT may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the financial years 2022 and 2021 were immaterial.

5.13. Modification of financial assets

In rare cases, LGT modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximizing recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and therefore does not result in de-recognition of the original asset. LGT monitors the subsequent performance of

modified assets and assesses if there is a subsequent significant increase in credit risk in relation to such assets. The gross carrying amount of financial assets that were modified during the periods 2022 and 2021 was not material.

5.14. Impairment and provisioning policies

The Group's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require it. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including reconfirmation of its enforceability) and the anticipated receipts for that individual account.

LGT obtained assets by taking possession of collateral held as security. Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness.

Carrying amount of collateral and other credit enhancements obtained (CHF thousands)	2022	2021
Residential, commercial and industrial property	0	1 230

6. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This risk can be caused deliberately or accidentally or be of natural origin and encompasses all elements of the organization. Operational risks are inherent in all types of products, activities, processes and systems.

LGT's operational risk framework is based on the principles stipulated in the "Sound Practices for the Management and Supervision of Operational Risk" issued by the Basel Committee on Banking Supervision. The guidelines ensure that risk management takes care of all defined risk categories:

- Internal and external fraud
- Employment practices and workplace safety
- Customers, products and business practices
- Damage to physical assets
- Business disruption and system failures
- Execution, delivery and process management

The operational risk measurement approach is based on three dimensions: risk self-assessments, key risk indicators and an operational risk event data base. In the case of essential operational risk events, the business units and group functions immediately inform Group Risk Controlling, which then analyzes, monitors and reports relevant data and initiates appropriate actions.

7. Regulatory risk

Regulatory risk is the overall risk that a change in laws and regulations or a non-compliance with them will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape.

LGT's regulatory risk management therefore focuses on the early identification of new regulatory requirements, the effective adoption of new regulatory requirements within LGT and the implementation of processes and procedures to ensure that all business lines within LGT permanently meet the respective legal and regulatory requirements.

8. Reputational risk

Ultimately, if risks are not identified, adequately managed and monitored, this may lead – apart from financial losses – to reputational damage. Reputational risk is defined as the risk of potential damage through a deterioration of LGT's reputation or due to a negative perception of its image among customers, counterparties, equity holders and/or regulatory authorities.

LGT takes a holistic approach to reputational risk management consisting of both preventive measures and dedicated crisis management. Preventive measures are defined in LGT's code of conduct. For the purposes of crisis management, LGT has established processes and organizational structures to address crises, and has trained all respective employees in order to ensure rapid and adequate responses to potential crises.

9. Fair value of financial instruments not carried at fair value

Fair value information is used for business purposes in measuring an enterprise's overall financial position. Fair value information permits comparisons of financial instruments having substantially the same economic characteristics.

9.1. Loans and advances to banks

Loans and advances are stated net of impairments. The measured fair value of loans and advances to banks is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and remaining maturity.

9.2. Loans and advances to customers

Loans and advances are stated net of impairments. The measured fair value of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received.

9.3. Amounts due to banks or to customers

The calculation of the fair values of the amounts due to banks or customers is based on the discounted cash flow method using interest rates for new debts with similar remaining maturity.

9.4. Certificated debt

The aggregated fair values are calculated under the discounted cash flow method. The model is based on a current yield curve appropriate for the remaining term to maturity.

Financial assets (CHF thousands)	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and advances to banks	15 524 843	15 523 965	5 300 433	5 297 325
Loans and advances to customers	19 039 653	19 009 506	19 404 758	19 536 591
Financial instruments at amortized costs	7 049 952	7 049 742	0	0
Financial liabilities (CHF thousands)				
Amounts due to banks	4 533 704	4 538 324	1 720 995	1 721 212
Amounts due to customers	44 339 919	44 345 985	39 871 882	39 881 036
Certificated debt	2 568 975	2 367 862	2 373 830	2 406 145

Financial statements of LGT Group Foundation





Statutory auditor's report



Statutory auditor's report to the Foundation Supervisory Board of LGT Group Foundation

Vaduz

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LGT Group Foundation (Foundation), which comprise the income statement for the year ended 31 December 2022, the balance sheet as at 31 December 2022 and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2022 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Foundation in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Foundation Board for the Financial Statements

The Foundation Board is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Foundation Board is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Foundation Board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements or, whether due to fraud design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Foundation Boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Foundation Board or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We confirm that the financial statements and the proposed appropriation of retained earnings comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Roman Berlinger
Liechtenstein Certified Public Accountant
Auditor in charge



Philipp Gämperle

Zurich, 26 April 2023



Income statement

Income statement (CHF thousands)	Note	2022	2021
Interest income		1 007	435
Interest expense		-15 213	-10 046
Dividend income from participations and investment securities		30 336	19 569
Total interest and dividend income/expense		16 130	9 958
Income from financial transactions		223 077	88 106
Other operating income	1	116 444	183 833
Total operating income		355 651	281 897
Personnel expenses	2	-15 285	-27 648
Business and office expenses	3	-11 841	-29 020
Total administrative expenses		-27 126	-56 668
Depreciation, allowances and provision on subsidiary undertakings, affiliated companies and investment securities		-59 589	-20 134
Release of impairments on subsidiary undertakings and investment securities		0	394
Profit for the period		268 936	205 489
Appropriation of available Foundation earnings			
Balance at the beginning of the period		761 243	840 754
Profit for the period		268 936	205 489
Total available Foundation earnings		1 030 179	1 046 243
The Foundation Board proposes to the Foundation meeting of 26 April 2023:			
Distribution to the Prince of Liechtenstein Foundation		-144 000	-285 000
Balance to be carried forward		886 179	761 243

The accounting principles and the notes on pages 106 to 112 form part of these accounts. The accounts on pages 104 to 112 were approved by the Foundation Board on 26 April 2023 and were signed on its behalf by H.S.H. Prince Max von und zu Liechtenstein, Chairman, and Prof. Dr. Conrad Meyer, member of the Foundation Board.

Balance sheet

Balance sheet (CHF thousands)	Note	2022	2021
Assets			
Loans and advances to banks (subsidiary undertakings)	4	58 515	18 157
of which on demand		58 515	18 157
Shares and investment securities	5	3 664 465	4 036 386
Participations	6	1 258 857	1 258 373
Other assets	7	47 946	54 097
Total assets		5 029 782	5 367 012
Liabilities			
Amounts due to banks	8	3 615 458	3 931 147
of which loans		3 615 458	3 931 147
Other liabilities	9	43 292	42 617
Accrued expenses and deferred income		1 809	7 961
Foundation capital		339 044	339 044
Profit/loss to be carried forward		761 243	840 754
Profit for the period	10	268 936	205 489
Total liabilities		5 029 782	5 367 012
Off-balance sheet items			
Collateralization guarantees and similar instruments		4 038	4 238
Guarantees and similar instruments		10 159 436	7 903 350
of which for affiliated companies		10 159 436	7 903 350
Other commitments		3 034	4 400

The guarantees and similar instruments are valued with the carrying amount. The accounting principles and the notes on pages 106 to 112 form part of these accounts.

Notes to the financial statements

Accounting principles

1. Introduction

The accounting principles are in accordance with the Liechtenstein Law on Persons and Companies (PGR) and the Liechtenstein Banking Law and its directives. A summary of the most important accounting principles, which have been applied consistently, is set out below.

The terms "LGT" or "Group" refer to LGT Group Foundation together with its subsidiary undertakings and the term "Company" refers to LGT Group Foundation.

2. Basis of accounting

The accounts are prepared using the historical cost convention. All transactions are recorded on a trade date basis.

3. Foreign currencies

Revenue items denominated in foreign currencies are translated at the exchange rates prevailing on the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the balance sheet date, except financial fixed assets, which are translated at historical rates. Exchange differences are entered in the income statement.

4. Participations

Participations represent investments in subsidiary undertakings and are stated at cost, less any provision for permanent diminution in value.

5. Debt instruments and shares

Realized gains or losses arising from the disposal of securities are entered in the income statement. Securities held as current assets (short-term assets) are shown at fair value. Other securities are stated at the lower of cost or fair value.

6. Dividends

Proposed dividends from participations and investment securities are accrued as receivables in the accounts.

7. Loans and advances

These items are calculated at nominal values. Value adjustments for identifiable individual risks are set off against the corresponding asset positions.

8. Financial liabilities and provisions

These items are shown at nominal values. Provisions have been created for operational and other risks.

9. Derivative financial instruments

Derivative financial instruments that are held for trading purposes are valued at their fair market value with changes in fair market value recognized in income from trading activities. The related positive and negative replacement values are stated at gross values. Income and expense arising on derivatives used in the context of asset and liability management, primarily interest rate swaps and forward rate agreements, are recognized on an accrual basis, as this reflects the Group's risk management.

10. Risk management

Risks are defined by the adverse impact on profitability of several distinct sources of uncertainty. LGT Group Foundation is exposed to market risks, credit risks, liquidity risks, operational and business event risks. The Foundation Board is responsible for the risk policy and its regular review. The risk policy comprises two key elements:

- risk strategy, which details the overall approach to risk-taking desired by the Board; and
- risk principles, which translate the risk strategy into operating standards for both the risk organization and required risk processes.

Daily risk management is conducted by the line management. The overall responsibility lies with the executive management teams of each business unit. The risk controlling unit oversees the risk-taking activities of LGT Group Foundation and reports directly to the Board.

Details on the income statement and balance sheet

1	Other operating income (CHF thousands)	2022	2021
	Income from subsidiary undertakings (license fees, income from service level agreements and service charge for comfort letters)	111 622	168 324
	Others	4 822	15 508
	Total other operating income	116 444	183 833

2	Personnel expenses (CHF thousands)	2022	2021
	Personnel expenses before long-term incentive scheme		
	Salaries	6 679	6 786
	Bonuses	4 270	3 569
	Social security costs	934	1 797
	Pension costs	771	394
	Other personnel expenses	-35	121
	Personnel expenses before long-term incentive scheme	12 618	12 667
	Long-term incentive scheme	2 667	14 981
	Total personnel expenses	15 285	27 648

3	Business and office expenses (CHF thousands)	2022	2021
	Information and communication expenses	93	32
	Travel and entertainment expenses	598	207
	Legal and professional expenses	919	11 568
	Advertising expenses	10 045	7 772
	Other expenses	186	9 440
	Total business and office expenses	11 841	29 020

4 **Loans and advances to banks (subsidiary undertakings) on demand**
The loans and advances to banks are bank accounts with LGT Bank Ltd., Vaduz.

5	Shares and investment securities (CHF thousands)	2022	2021
	Opening balance	4 036 385	3 897 910
	Investments	397 136	617 786
	Revaluation	-59 587	-19 739
	Disposals	-709 469	-459 572
	Closing balance	3 664 465	4 036 385

6 Participations (CHF thousands)	2022	2021
Acquisition cost	1 259 770	1 260 770
Accumulated depreciation	-1 397	-2 316
Opening balance	1 258 373	1 258 454
Investments	486	0
Revaluation	-2	-1
Disposals/capital decrease	0	-80
Closing balance	1 258 857	1 258 373

The subsidiary undertakings of LGT Group Foundation at 31 December 2022 were:

Name	Principal activity	Registered office	% of voting rights held	% of capital held	Share capital (paid in)		Net profit (thousands)
LGT Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0	100.0	CHF	200 000	CHF -1 723
LGT Capital Partners Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0	100.0	CHF	500 000	CHF -3 903
LGT (Uruguay) S.A. in Liquidation	Bank representation	Montevideo – Uruguay	100.0	100.0	UYU	4 600 000	USD 0
LGT Investments Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0	100.0	CHF	73 308	CHF -17 775
LGT Global Invest Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0	100.0	CHF	4	CHF -1 359
LGT Participations Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0	100.0	CHF	7	CHF -2

All participations of LGT Group Foundation are unlisted.

7	Other assets (CHF thousands)	2022	2021
	Receivables from subsidiary undertakings	46 473	52 247
	Receivables from others	1 472	1 850
	Total	47 946	54 097

8	Amounts due to banks (CHF thousands)	2022	2021
	Amounts due to LGT Bank Ltd., Vaduz	3 615 458	3 931 147
	Total	3 615 458	3 931 147

9	Other liabilities (CHF thousands)	2022	2021
	Salaries	3 669	3 251
	Bonuses	5 113	5 104
	Social security costs	2 260	2 243
	Long-term incentive scheme	30 042	29 844
	Others	2 208	2 174
	Total	43 292	42 617

10	Statement of changes in equity (CHF thousands)	2022	2021
	Equity at the beginning of the business year	1 385 287	1 314 798
	Distribution to the Prince of Liechtenstein Foundation	-285 000	-135 000
	Profit for the period	268 936	205 489
	Total equity at the end of the business year	1 369 223	1 385 287

11	Headcount	2022	2021
	Headcount at 31 December	4	4

12	Analysis of balance sheet by origin at 31 December 2022 (CHF thousands)	Domestic	%	Foreign	%	Total	%
Assets							
	Loans and advances to banks	58 515	100.0	0	0.0	58 515	100.0
	Shares and investment securities	0	0.0	3 664 465	100.0	3 664 465	100.0
	Participations	1 162 931	92.4	95 926	7.6	1 258 857	100.0
	Other assets	34 548	72.1	13 398	27.9	47 946	100.0
	Total assets	1 255 994	25.0	3 773 789	75.0	5 029 782	100.0
Liabilities							
	Amounts due to banks	3 615 458	100.0	0	0.0	3 615 458	100.0
	Other liabilities	41 070	94.9	2 223	5.1	43 292	100.0
	Accrued expenses and deferred income	902	49.9	907	50.1	1 809	100.0
	Equity	1 369 223	100.0	0	0.0	1 369 223	100.0
	Total liabilities	5 026 653	99.9	3 130	0.1	5 029 782	100.0

	Analysis of balance sheet by origin at 31 December 2021	Domestic	%	Foreign	%	Total	%
Assets							
	Loans and advances to banks	18 157	100.0	0	0.0	18 157	100.0
	Shares and investment securities	0	0.0	4 036 386	100.0	4 036 386	100.0
	Participations	1 162 445	92.4	95 928	7.6	1 258 373	100.0
	Other assets	37 753	69.8	16 343	30.2	54 097	100.0
	Total assets	1 218 355	22.7	4 148 656	77.3	5 367 012	100.0
Liabilities							
	Amounts due to banks	3 931 147	100.0	0	0.0	3 931 147	100.0
	Other liabilities	41 639	97.7	978	2.3	42 617	100.0
	Accrued expenses and deferred income	154	1.9	7 807	98.1	7 961	100.0
	Equity	1 385 287	100.0	0	0.0	1 385 287	100.0
	Total liabilities	5 358 227	99.8	8 784	0.2	5 367 012	100.0

13	Breakdown of assets according to country/country group (CHF thousands)	2022	%	2021	%
	Liechtenstein	1 255 305	25.0	1 218 355	22.7
	Other Europe	64 176	1.3	47 637	0.9
	Americas	3 697 352	73.5	4 084 862	76.1
	Asia	12 949	0.3	16 157	0.3
	Total assets	5 029 782	100.0	5 367 012	100.0

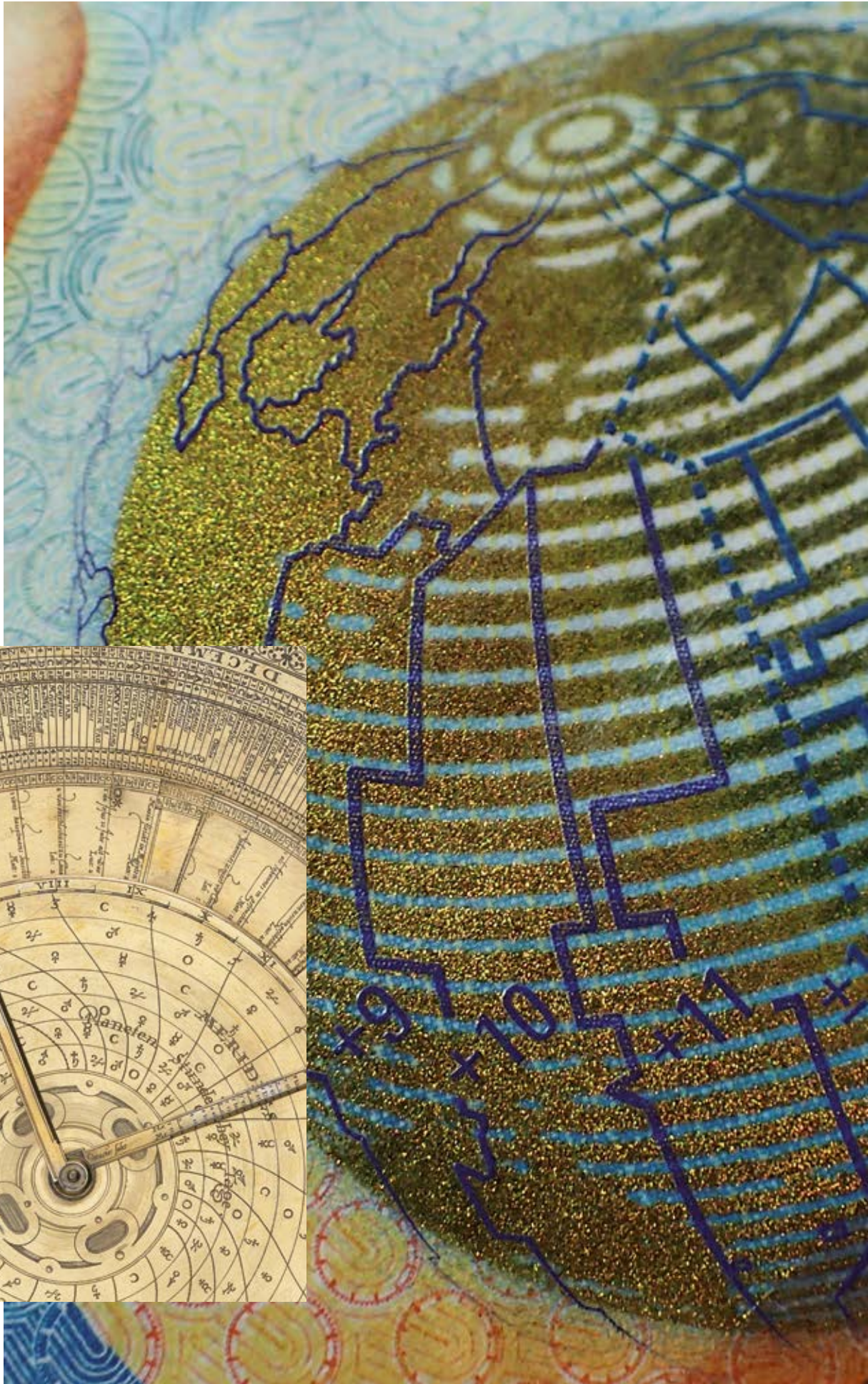
14	Foreign exchange exposure at 31 December 2022 (CHF thousands)	CHF	EUR	USD	Other	Total
Assets						
	Loans and advances to banks	58 515	0	0	0	58 515
	Shares and investment securities	3 601 426	50 089	7 011	5 938	3 664 465
	Participations	1 258 857	0	0	0	1 258 857
	Other assets	46 543	1 403	0	0	47 946
	Total assets	4 965 340	51 493	7 011	5 938	5 029 782
Liabilities						
	Amounts due to banks	3 614 955	503	0	0	3 615 458
	Other liabilities	42 044	523	0	725	43 292
	Accrued expenses and deferred income	1 642	0	167	0	1 809
	Equity	1 369 223	0	0	0	1 369 223
	Total liabilities	5 027 864	1 027	167	725	5 029 782

	Foreign exchange exposure at 31 December 2021	CHF	EUR	USD	Other	Total
Assets						
	Loans and advances to banks	18 157	0	0	0	18 157
	Shares and investment securities	3 988 935	31 294	5 505	10 651	4 036 386
	Participations	1 258 373	0	0	0	1 258 373
	Other assets	53 188	909	0	0	54 097
	Total assets	5 318 652	32 203	5 505	10 651	5 367 012
Liabilities						
	Amounts due to banks	3 930 650	497	0	0	3 931 147
	Other liabilities	42 505	111	0	0	42 617
	Accrued expenses and deferred income	218	203	6 902	639	7 961
	Equity	1 385 287	0	0	0	1 385 287
	Total liabilities	5 358 660	812	6 902	639	5 367 012

15	Analysis of current assets and liabilities by maturity at 31 December 2022 (CHF thousands)	On demand	Within 3 months	More than 3 and less than 12 months	More than 12 months	Total
Current assets						
	Loans and advances to banks	58 515	0	0	0	58 515
	Shares and investment securities	3 664 465	0	0	0	3 664 465
	Other assets	0	21 244	25 311	1 391	47 946
	Total current assets	3 722 980	21 244	25 311	1 391	3 770 926
Current liabilities						
	Amounts due to banks	0	3 615 458	0	0	3 615 458
	Other liabilities	0	2 308	11 115	29 870	43 292
	Accrued expenses and deferred income	0	1 809	0	0	1 809
	Total current liabilities	0	3 619 575	11 115	29 870	3 660 560
	Analysis of current assets and liabilities by maturity at 31 December 2021	On demand	Within 3 months	More than 3 and less than 12 months	More than 12 months	Total
Current assets						
	Loans and advances to banks	18 157	0	0	0	18 157
	Shares and investment securities	4 036 386	0	0	0	4 036 386
	Other assets	0	21 843	31 345	909	54 097
	Total current assets	4 054 542	21 843	31 345	909	4 108 639
Current liabilities						
	Amounts due to banks	0	3 931 147	0	0	3 931 147
	Other liabilities	0	1 924	8 289	32 404	42 617
	Accrued expenses and deferred income	0	7 961	0	0	7 961
	Total current liabilities	0	3 941 032	8 289	32 404	3 981 725

16 Emoluments to members of management

The emoluments to the members of the Foundation Board and to the Group and business unit executives are disclosed under note 43 in the consolidated financial statements of LGT Group.



International locations

LGT Private Banking

Europe

Austria Salzburg, Vienna

Germany Hamburg, Munich

Ireland Dublin

Principality of Liechtenstein Vaduz

Switzerland Basel, Berne, Geneva, Lugano, Zurich

United Kingdom Bristol, Edinburgh, Jersey, London

Middle East

Bahrain Manama

United Arab Emirates Dubai

Asia Pacific

Australia Adelaide, Brisbane, Melbourne, Sydney

Hong Kong SAR

India Mumbai, New Delhi and 12 other locations

Japan Tokyo

Singapore

Thailand Bangkok

A complete list of LGT Private Banking locations can be found at www.lgt.com

LGT Capital Partners

Australia Sydney

China Beijing

France Paris

Germany Frankfurt am Main

Hong Kong SAR

Ireland Dublin

Japan Tokyo

Luxembourg

Principality of Liechtenstein Vaduz

Switzerland Pfaeffikon

United Arab Emirates Dubai

United Kingdom London

United States New York, San Francisco

A complete list of LGT Capital Partners locations can be found at www.lgtcp.com

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Our culture is the ideal foundation for innovation and sustainable thinking.

Olivier de Perregaux, CEO LGT Private Banking

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