



Media release

LGT continues on path of profitable growth in the first half of 2017

Group profit rises to CHF 151.8 million (+22%) and assets under management to CHF 181.0 billion (+19%); very positive net asset inflows

Vaduz, 29 August 2017. **LGT, the international private banking and asset management group owned by the Princely House of Liechtenstein, continued on its path of profitable growth in the first half of 2017 thanks to strong organic growth and the successful integration of acquisitions. Group profit rose 22% to CHF 151.8 million compared to the first half of 2016. Net asset inflows totaled CHF 9.6 billion in the first half of 2017, with an additional contribution of CHF 18.2 billion to asset growth attributable to acquisitions. In total, assets under management rose 19% to CHF 181.0 billion compared to year-end 2016.**

LGT continued to grow profitably in the first half of 2017 in a market environment that remained challenging. The results of the private banking business in Asia and the Middle East acquired from ABN AMRO at the end of April 2017 have been reflected in LGT's financial statements starting from May 2017. The income and expenses of the British wealth management boutique LGT Vestra, which LGT acquired as per the end of June 2016, have been included in LGT's results since mid-2016.

Thanks to strong organic growth and the successful integration of the acquisitions, total operating income increased 23% to CHF 707.9 million in the first half of 2017 compared to the same period last year. Income from services contributed CHF 458.8 million to this result, which corresponds to a rise of 20% and is attributable in particular to the larger asset base and increased client activity. Net interest and similar income rose 11% to CHF 100.2 million. Income from trading activities and other operating income increased 43% to CHF 148.9 million, reflecting higher income from the client business and currency hedging, as well as a one-off contribution from the sale of a private equity stake.

Total operating expenses rose 24% to CHF 517.5 million compared to the same period last year, which is attributable to the organic and acquisitions-related expansion of the business. Personnel expenses rose 25% to CHF 393.4 million due to increased headcount and higher accruals for performance-related payments. Business and office expenses increased 22% to CHF 124.1 million. Depreciation, amortization and provisions rose 8% to CHF 26.6 million.

The cost-income ratio improved from 74.2% as at 31 December 2016 to 73.1% as at 30 June 2017. Overall, group profit amounted to CHF 151.8 million, which represents an increase of 22% compared to the first half of 2016.

LGT is very well capitalized and has a high level of liquidity. Due to acquisitions, the tier 1 capital ratio decreased to 18.5% as at 30 June 2017, compared to 20.2% at the end of 2016.

Very positive net asset inflows

In the first half of 2017, LGT reported continued strong net asset inflows totaling CHF 9.6 billion, whereof CHF 2.6 billion resulted from the closing of one of LGT Capital Partners' private equity funds. Even if this effect is excluded, the annualized growth rate for assets under management exceeded 9%. All regions and both of LGT's business areas contributed positive net asset inflows to the overall result.

Assets under management rose by CHF 28.9 billion or 19% to CHF 181.0 billion compared to year-end 2016. This includes CHF 18.2 billion in assets under management from the acquisition of the ABN AMRO private banking business and from the acquisition of London and Paris-based private debt manager European Capital Fund Management completed in June 2017.

Outlook

LGT is confident that its stronger presence in key wealth management markets will result in further profitable growth in the second half of 2017.

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT: "We are extremely pleased with the first half of 2017. We continued on our profitable growth path, once again attracted significant net asset inflows and successfully integrated the strategically important acquisition of ABN AMRO's private banking business in Asia and the Middle East into our existing structures. Our stable ownership structure, long-term strategy, strong capital base and unifying corporate culture are success factors in the further development of the business – be it organic or through acquisitions. An important cornerstone also remains the strong focus on investment management as a core competency. With our distinct profile, we aim to provide an attractive environment for our clients and employees around the world and achieve further sustainable growth."

LGT in brief

LGT is a leading international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family for over 80 years. As per 30 June 2017, LGT managed assets of CHF 181.0 billion (USD 188.9 billion) for wealthy private individuals and institutional clients. LGT employs over 3000 people who work out of more than 20 locations in Europe, the Americas, Asia and the Middle East. www.lgt.com

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Key figures as of 30.06.2017

	30.06.2017	30.06.2016	Change (in %)
Consolidated income statement (in CHF m)			
Net interest and similar income	100.2	90.6	10.6
Income from services	458.8	381.8	20.2
Income from trading activities and other operating income	148.9	103.9	43.3
Total operating income	707.9	576.3	22.8
Personnel expenses	393.4	315.3	24.8
Business and office expenses	124.1	101.7	22.1
Total operating expenses	517.5	417.0	24.1
Depreciation, amortization and provisions	26.6	24.6	8.0
Tax and minority interests	12.0	10.3	16.4
Group profit	151.8	124.4	22.0
Net asset inflow (in CHF bn)¹	9.6	4.4	117.0
Asset growth from acquisitions (in CHF bn)²	18.2	8.0	
	30.06.2017	31.12.2016	
Assets under management (in CHF bn)	181.0	152.1	19.0
Total assets (in CHF bn)	40.4	35.8	13.0
Group equity capital (in CHF m)	3 792	3 643	4.1
Ratios (in %)			
Cost/income ratio	73.1%	74.2%	
Tier 1 ratio	18.5%	20.2%	
Liquidity Coverage Ratio	190.6%	191.0%	
Headcount	3 103	2 632	17.9
Rating Moody's/Standard & Poor's for LGT Bank Ltd.	Aa2/A+	Aa2/A+	

¹ Without acquisitions

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