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LGT Bank AG

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LGT Bank AG

SACP	a+
Anchor	a-
Business Position	Strong	+1
Capital and Earnings	Strong	+1
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

\+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating
A+/Stable/A-1

Resolution Counterparty Rating
AA-/--/A-1+

Major Rating Factors

Strengths:	Weaknesses:
• Well-established international private banking business model. • Strong brand name and a stable ownership and management structure. • Sound liquidity position and stable customer deposit base.	• Intense competition and margin pressure in private banking. • Moderate cost efficiency, despite some progress. • Inherent legal and reputational risks due to the private banking model, as well as market risk in the Princely Portfolio.

Outlook: Stable

The stable outlook reflects our view that the economic downturn linked to COVID-19 and a related drop in asset values will slow LGT's capital improvements and buildup of bail-inable capital over the next 24 months, but not impair its banking franchise. During that period, we expect to gain more clarity on the local minimum requirements for own funds and eligible liabilities (MREL) requirements and the implications for LGT Bank's issuance plans.

Downside scenario

We could take a negative rating action on LGT Bank if further deterioration of the macroeconomic environment triggered a strong reduction in the value of the Princely portfolio and assets under management (AUM), weakening LGT's earnings capacity and risk adjusted capitalization.

We could also consider a downgrade if lower earnings retention or larger acquisitions hindered the bank from maintaining strong capitalization or if the contemplated reorganization weakened the group's franchise.

Upside scenario

We could consider a positive rating action if LGT gradually accumulated bail-inable capital and improved capitalization beyond our expectations for its stand-alone credit profile (SACP), resulting in an additional loss-absorbing capacity (ALAC) buffer above the adjusted threshold of 5.5% of S&P Global Ratings risk-weighted assets. This buffer would protect the bank's senior unsecured creditors should the bank become nonviable.

However, we would consider an upgrade only if our comprehensive view of LGT were comparable with that of peers at the 'AA-' level, which currently include a small group of global banks rated at this level.

Rationale

Our ratings on LGT Bank are based on the consolidated financials of LGT Group (LGT) and the favorable economic and industry conditions for the Liechtenstein banking system. The bank is the largest financial institution in Liechtenstein and has a well-established international franchise in private banking, with assets under administration of Swiss franc (CHF) 227.9 billion (€213 billion) as of year-end 2019. Despite the elevated market risk resulting from the co-investment Princely Portfolio product, we see LGT's risk-adjusted capitalization (RAC) as a strength, supported by solid earnings capacity and capital generation through earnings retention. We view positively that LGT is not materially exposed to credit risk, since the mortgage and Lombard loan portfolio is principally collateralized and conservatively managed. Nevertheless, fair value changes in the Princely Portfolio could lead to volatility in our capital ratio. LGT's funding and liquidity profile is in line with private bank peers', reflecting a strong deposit franchise and liability-driven balance sheet.

Anchor:'a-' for private banks based in Liechtenstein.

We use the economic risk and industry risk scores from our Banking Industry Country Risk Assessment (BICRA) to determine a bank's anchor, the starting point in assigning an issuer credit rating. The anchor for a commercial bank operating only in Liechtenstein is 'a-', based on an economic risk score of '2' and an industry risk score of '3'. We view the economic and industry risk trends in the Liechtenstein banking industry as stable.

When we assess economic risk for private banks, we use the economic risk factor of the country of origin, which in the case of LGT is Liechtenstein.

Economic risk for Liechtenstein's banks remains relatively low in a global comparison. Despite its very small size and concentration, we view Liechtenstein as a competitive and specialized economy. It has export-oriented industries holding niche positions worldwide and a specialized financial industry focused on wealth management. Nevertheless, due to COVID-19 we expect a sharp GDP contraction of about 12% in 2020, followed by a strong recovery in 2021. This volatility was observed in previous recessions, without material impact on unemployment. As a small and open economy, Liechtenstein economic development over the coming years will also depend on the recovery of global trade.

Liechtenstein's wealth levels are among the highest of any rated sovereign, but household debt is relatively high at about 130% of GDP. Mirroring trends in neighboring countries such as Switzerland and Germany, house prices in Liechtenstein have risen strongly in recent years, but growth rates in house prices and mortgages decelerate. At present, we see no credit-fueled asset-price bubbles. Furthermore, we expect credit losses in Liechtenstein's retail and corporate banking will remain low in 2020-2021, despite the economic impact of COVID-19.

In our view, industry risk stems from a business model focused on private-banking and wealth management. Although we consider that Liechtenstein banks' risk appetite is restrained and its risk culture remains conservative, we think that the high confidence sensitivity of the business model exposes the financial industry to reputational risk. Nevertheless, we acknowledge that Liechtenstein has rapidly implemented international best practices on tax-compliance and information exchange, which has somewhat reduced reputational risks over recent years. In addition, the financial supervisory authority implements banking regulation and supervision in line with EU standards. Owing to the banks' access to ample customer deposits and focus on private-banking, we continue to view funding as a neutral factor for Liechtenstein's banking sector.

Table 1

LGT Bank AG--Key Figures

	--Fiscal year ended Dec. 31--				
(Mil. CHF)	**2019**	**2018**	**2017**	**2016**	**2015**
Adjusted assets	48,654.1	42,620.2	41,068.8	35,241.0	33,861.8
Customer loans (gross)	20,753.2	19,223.1	20,010.6	12,821.1	11,873.5
Adjusted common equity	2,196.3	2,124.3	1,671.1	1,755.9	1,727.1
Operating revenues	1,820.1	1,679.4	1,529.2	1,206.2	1,150.2
Noninterest expenses	1,433.1	1,270.8	1,171.5	911.1	878.7
Core earnings	349.0	367.8	328.4	261.6	240.7

CHF--Swiss Franc.

Business position: Well-established international private banking business.

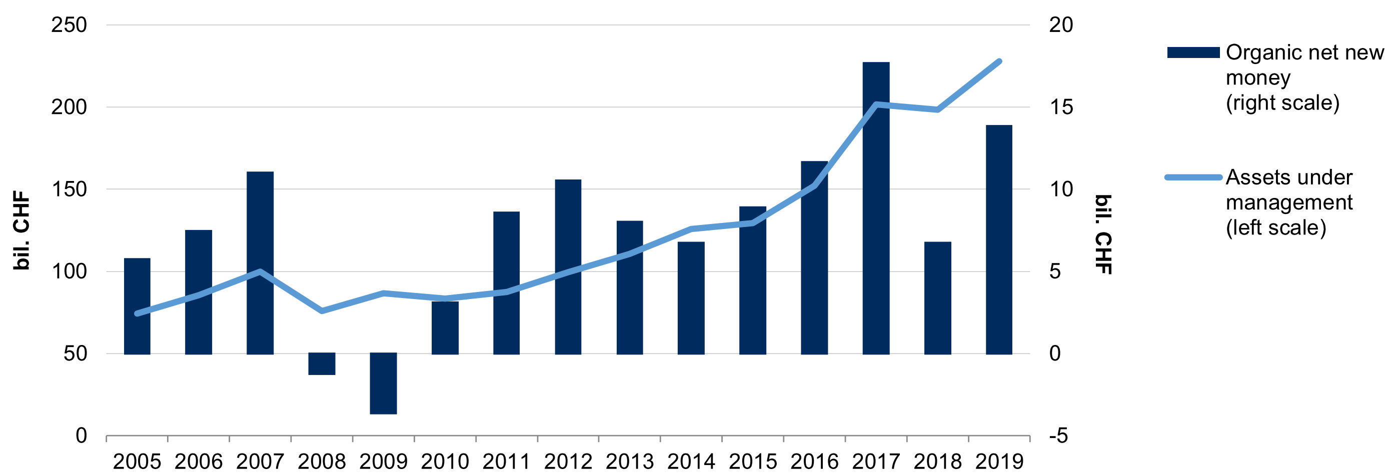
LGT's strong business position is based on the bank's standing as the leading financial institution in Liechtenstein, its well-established international franchise, and the resulting stronger-than-peers' operational and financial performances. We also consider LGT's loyal client base. LGT has generated strong net asset inflows over the last decade well coping with the Liechtenstein's swift push to tax compliance in international private banking.

LGT Group, with total assets of CHF49.4 billion as of end-2019, derives about 75% of its operating earnings from private banking and about 25% from asset management. In May 2020, LGT announced its reorganization and the carve-out of its asset management and impact investment businesses, which together represent reported AUM of about CHF55 billion, from the private banking group in 2021. After the reorganization, each of these three business lines will fall under separate entities owned directly by the Prince of Liechtenstein Foundation. Although the AUM and related fee income at the rated banking entity will decrease following the carve-out, we do not believe this will materially impair the strong private banking franchise and solid profitability.

In our view, LGT will continue to show a strong ability to attract new customers across its private banking operations in Liechtenstein, Switzerland, Austria, the U.K., Hong Kong, Singapore, Dubai, and Bangkok. The group has continuously increased asset gathering and reported assets under administration of CHF227.9 billion as of year-end 2019. The strong growth over the past five years included CHF59 billion from organic growth in addition to the benefits from acquisitions and asset appreciation. This underpins LGT's strong record of net new money generation and the smooth integration of acquisitions.

Chart 1

Strong Organic Net New Money Generation



CHF--Swiss franc. Source: S&P Global Ratings.

Furthermore, a key feature of LGT's business proposition continues to be the co-investment product known as the Princely Portfolio, a long-term investment strategy that includes a high share of alternative investments. We see this product as an important tool in creating customer loyalty and aligning the bank's interests with those of its clients.

LGT's adaption to a changing environment is supported by its focused strategy, stable private ownership and management structure, and quick decision making processes. At the same time, the private ownership by the Princely House of Liechtenstein via LGT Group Foundation raises questions on the independence of the supervisory board and management. Ownership decisions on the size of the Princely Portfolio investments on LGT's balance sheet and decisions on unexpected capital distributions could have an impact on LGT's creditworthiness. Nevertheless, we expect stable corporate development will continue.

LGT will further invest in its digitalization to improve efficiency and enhance customer experience. This should protect LGT's franchise from increasing competition by robo-advisors and large tech companies that which will likely expand their services to gradually attract wealthy customers.

In our view, LGT is well positioned to benefit from investors increasing focus on environmental and social governance (ESG) related and sustainable investments. LGT was an early adopter and already launched sustainable bond and equity funds in 2009. It constantly refined its ESG strategy, including its investment approach and sustainable corporate development, with specific goals defined in its current Sustainability Strategy 2025.

Table 2

LGT Bank AG--Business Position					
	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Total revenues from business line (currency in millions)	1,820.1	1,679.4	1,529.2	1,206.2	1,150.2
Retail banking/total revenues from business line	76.0	78.2	76.3	77.4	74.3
Commercial & retail banking/total revenues from business line	76.0	78.2	76.3	77.4	74.3
Asset management/total revenues from business line	26.8	24.6	25.3	26.7	26.5
Other revenues/total revenues from business line	(2.8)	(2.8)	(1.6)	(4.0)	(0.8)
Return on average common equity	7.1	7.6	7.3	6.6	6.3

Capital and earnings: Strong but potentially volatile risk-adjusted capitalization.

We assess LGT's capital and earnings as a rating strength. We base our assessment mainly on our RAC ratio for LGT Group, which was 10.1% as of year-end 2019, slightly down from 10.5% one year earlier, and which we expect will gradually improve toward 11% over the coming 18-24 months. However, we note a comparably high volatility of the RAC ratio, reflecting the bank's on-balance-sheet investment in the Princely portfolio, which consists, to a large extent, from alternative asset classes like private equity and hedge funds and is valued at fair value.

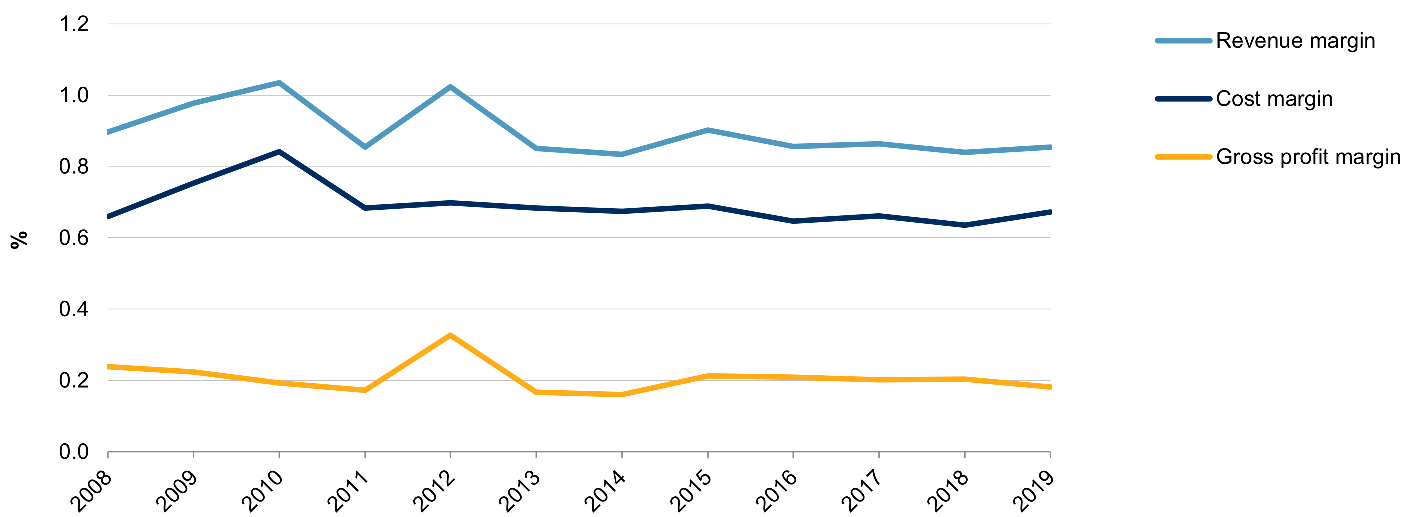
In our calculation of the total adjusted capital (TAC) position, we make a material deduction for the CHF1.5 billion of revaluation reserves, largely reflecting unrealized gains on the Princely Portfolio, which we do not treat as capital. However, we fully acknowledge these unrealized gains in our calculation of the bank's risk-weighted assets (RWAs) that materially reduce the risk-weights in the Princely Portfolio. Overall, our lower TAC in the numerator and higher risk-weights for the equity exposures in the denominator result in a substantial difference between our RAC ratio and the group's regulatory common equity tier 1 ratio of 19.9% as of December 2019, calculated under the standardized approach. This compares to a minimum regulatory total capital ratio of 13.1%.

We view the group's capital position as strong but still somewhat below that of many rated European private bank peers, mainly due to the sizable own investment in the Princely Portfolio. We expect that LGT's RAC ratio will remain sensitive to development of and the own investment in the Princely Portfolio. In our forecast we do not expect LGT will reduce its own investment in this portfolio. A reduction or increase in this portfolio could significantly affect capitalization, as measured by S&P Global Ratings.

In our view, LGT continues to deliver very good financial performance, despite challenging operating conditions due to intense competition in private banking. We expect the economic impact of COVID-19 will likely have no material negative impact on LGT's profitability, given it benefits from increased client trading activity and the quick recovery in asset prices. Nevertheless, should downside risk materialize and economic recovery take longer than expected, lower asset valuations and lower volumes in Lombard lending could result in lower fee and somewhat reduced interest income. In our base case, we expect an annual net income of CHF300 million-CHF350 million and return on equity about 7% over 2020 and 2021. For 2022, considering the implications of the asset management carve-out, we expect net income of CHF250 million-300 million and a return on equity of about 5.5%.

Chart 2

LGT Is Largely Able To Defend Its Profit Margin



Source: S&P Global Ratings.

Table 3

LGT Bank AG--Capital And Earnings

	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Tier 1 capital ratio	19.9	17.6	18.8	20.2	20.1
S&P Global Ratings' RAC ratio before diversification	10.1	10.5	8.7	10.0	8.6
S&P Global Ratings' RAC ratio after diversification	9.6	10.1	8.1	9.4	8.8
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	15.8	16.8	14.7	14.1	10.0
Fee income/operating revenues	63.9	64.9	65.7	68.3	68.1
Market-sensitive income/operating revenues	18.7	16.2	17.7	16.3	15.9
Noninterest expenses/operating revenues	78.7	75.7	76.6	75.5	76.4
Preprovision operating income/average assets	0.8	1.0	0.9	0.8	0.8

Table 3

LGT Bank AG--Capital And Earnings (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Core earnings/average managed assets	0.8	0.9	0.8	0.7	0.7

Table 4

LGT Bank AG RACF [Risk-Adjusted Capital Framework] Data

(CHF 000s)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	10,402,321	345,805	3	216,272	2
Of which regional governments and local authorities	1,870,077	235,718	13	139,451	7
Institutions and CCPs	10,891,779	1,721,028	16	1,380,980	13
Corporate	6,359,158	2,467,238	39	3,034,846	48
Retail	16,742,182	5,722,575	34	6,849,032	41
Of which mortgage	4,381,075	1,657,738	38	1,078,218	25
Securitization§	0	0	0	0	0
Other assets†	928,230	1,242,075	134	992,497	107
Total credit risk	45,323,670	11,498,720	25	12,473,628	28
Credit valuation adjustment					
Total credit valuation adjustment	--	167,089	--	0	--
Market Risk					
Equity in the banking book	3,709,881	4,294,209	116	3,900,036	105
Trading book market risk	--	1,169,763	--	1,754,644	--
Total market risk	--	5,463,971	--	5,654,680	--
Operational risk					
Total operational risk	--	3,139,192	--	3,705,577	--
(CHF 000s)	**Exposure**	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	20,268,973	--	21,833,885	100
Total Diversification/ Concentration Adjustments	--	--	--	1,159,696	5
RWA after diversification	--	20,268,973	--	22,993,581	105
(CHF 000s)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		4,024,577	19.9	2,196,258	10.1
Capital ratio after adjustments‡		4,024,577	19.9	2,196,258	9.6

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CHF--Swiss franc. Sources: Company data as of Dec. 31 2019, S&P Global Ratings.

Risk position: Low-credit risk profile with conservative approach to managing operational risks in private banking.

We assess LGT's risk position as adequate. We view LGT's credit risk as very low, since the loan portfolio is principally highly collateralized and the bank demonstrates an outstanding loan-loss record in comparison with its private bank peers. However, the bank remains exposed to potential reputational risks due to its focus on confidence-sensitive private banking and to market risk in in the Princely Portfolio. While we acknowledge a generally favorable performance of this investment, we note the high share of alternative assets and potential volatility in a market downturn. Despite a current high volume of unrealized gains, falling valuations would lead to rising risk-weights in our RAC calculation and could push our capital assessment to a weaker category.

LGT's loan portfolio amounted to CHF20.7 billion as of year-end 2019, consisting primarily of Lombard lending and to a lesser extent of mortgage loans. LGT conducts the Lombard lending as part of its private banking offering, and we expect volumes will generally increase further in line with new customer generation. However, we also expect a drop in Lombard volumes over 2020 from customer deleveraging. The bank monitors the portfolio daily in accordance with prudent criteria, and the collateral portfolio shows high quality. The mortgage loan portfolio of CHF4.5 billion as of December 2019 is mainly concentrated in Liechtenstein and Switzerland, and shows very conservative loan-to-value ratios. We don't expect any changes in LGT's conservative underwriting standards. LGT's cost of risk was only 4 basis points (bps) on average over the past five years and it continues to compare favorably with that of private bank peers in Liechtenstein and Switzerland. We also do not expect a material increase in 2020, despite the extreme market volatility in March.

As a private bank, LGT remains sensitive to operational and reputational risks, including those related to money laundering. With regard to reputational risks, we reflect the risk in our starting point for the rating (the anchor, derived from our BICRA). We make a negative adjustment in our BICRA on Liechtenstein to reflect the threat to this small financial center and its banks (see "Banking Industry Country Risk Assessment: Liechtenstein," published Feb. 5, 2020, on RatingsDirect). We think that LGT's increasing international presence will require greater management and control resources, but expect it will continue to prepare itself via material investments in managing legal, operational, and reputational risks in international operations.

Overall, we believe that our RAC framework conservatively captures LGT's market and operational risk, as seen in the elevated market and operational risks charges, which constitute as much as 43% of our total RWAs as of December 2019.

Table 5

LGT Bank AG--Risk Position

	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Growth in customer loans	8.0	(3.9)	56.1	8.0	12.8
Total diversification adjustment/S&P Global Ratings' RWA before diversification	5.3	4.3	7.8	6.5	(2.7)
Total managed assets/adjusted common equity (x)	22.5	20.5	25.1	20.4	19.8
New loan loss provisions/average customer loans	(0.0)	0.0	(0.0)	0.1	0.2
Net charge-offs/average customer loans	(0.0)	(0.0)	(0.1)	(0.0)	0.0
Gross nonperforming assets/customer loans + other real estate owned	0.5	0.4	0.3	0.5	0.7

Table 5

LGT Bank AG--Risk Position (cont.)					
	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Loan loss reserves/gross nonperforming assets	29.5	38.1	47.4	49.8	34.2

RWA--Risk weighted asset.

Funding and liquidity: Funding profile based on customer deposits and ample liquidity.

LGT's balance sheet is largely driven by its deposit base and the use of Lombard loans by clients, with excess deposits invested in money market and fixed income instruments. Wholesale funding is mainly used to manage the bank's liquidity needs over the short to medium term and to provide a buffer to varying client activity.

LGT's strong deposit base (93% of funding base) and relatively limited loan activity will, in our view, continue to support a favorable stable funding and loan-to-deposit ratios in the future. Respectively, these were 163% and 54% at end-2019. The bank's funding profile continues to compare favorably with that of most financial institutions, reflecting LGT's business profile.

Our assessment of the bank's funding and liquidity is neutral to the rating. Given the short maturities of large parts of its assets and liabilities, funding and liquidity metrics dilute some risks inherent to the business model. We see the bank's cautious funding and liquidity approach as a necessity given that private banking deposits are generally more confidence sensitive and potentially more volatile than those of retail banks. We envisage higher volatility in customer deposits of private banks, since we observe less granularity, volumes often in excess of deposits insurance limits, and that large parts are cash positions within the customers' asset allocations. In our view, LGT is addressing these liquidity risks properly by holding a large buffer of cash, money market instruments and investment securities, while the size of the buffer is informed by liquidity stress testing for different scenarios.

We consider LGT's liquidity nominally stronger than that of many commercial banks, with net broad liquid assets covering 49% of its short-term customer deposits. Nevertheless, we consider liquidity as a neutral factor to the ratings on LGT, in line with that of most other private banks.

Table 6

LGT Bank AG--Funding And Liquidity					
	--Fiscal year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	89.8	89.7	90.1	89.5	89.0
Customer loans (net)/customer deposits	54.2	57.5	61.7	47.2	46.5
Long-term funding ratio	94.9	94.9	95.2	97.5	97.4
Stable funding ratio	163.0	160.3	139.4	149.0	131.3
Short-term wholesale funding/funding base	5.5	5.6	5.3	2.8	2.8
Broad liquid assets/short-term wholesale funding (x)	8.9	8.6	7.2	15.0	11.9
Net broad liquid assets/short-term customer deposits	49.0	47.6	36.5	43.5	34.8
Short-term wholesale funding/total wholesale funding	54.1	54.1	53.1	26.6	25.9
Narrow liquid assets/3-month wholesale funding (x)	10.0	9.9	8.3	13.2	11.0

External support: No uplift absent details on the MREL framework.

We asses that LGT has a high systemic importance in Liechtenstein, owing to its strong brand reputation associated with the Liechtenstein financial center, its leading market position in Liechtenstein, and its ownership by the princely family of Liechtenstein.

However, since the beginning of 2017, we consider the likelihood of extraordinary government support for banks in Liechtenstein to be uncertain, and we therefore no longer include uplift for such support in our ratings on systemic banks. This is because Liechtenstein implemented the European Union Bank Recovery and Resolution Directive (BRRD) into national law effective on Jan. 1, 2017. The recovery and resolution act (Sanierungs- und Abwicklungsgesetz) provides the authorities with bail-in powers over domestic banks and leads us to believe that prospects for extraordinary government support before any burden-sharing by senior unsecured creditors now appear uncertain, even for systemically important banks such as LGT Bank.

We do not rule out the possibility that systemically important banks in Liechtenstein might receive extraordinary government support, but we see the predictability of such support as materially reduced.

We also consider the country's bank resolution framework to be effective, which generally allows us to include uplift for ALAC in our ratings on individual systemically important banks. We note that LGT Bank issued its first senior non-preferred bonds in July and November 2019 totaling CHF310 million, which will likely count towards future MREL requirements and our ALAC buffer.

However, the Liechtenstein Financial Market Authority has not yet communicated on the eligible liabilities or any bank-specific requirements, and we don't expect it will do so this year. Given the limited amount of LGT's outstanding MREL instruments so far and uncertainty regarding its future MREL maturity profile, there could be a higher level of future maturity concentrations than for larger peers. We therefore apply a higher ALAC threshold (up 50 bps), namely 5.5% of our risk-weighted assets metric, for an uplift.

Issue Ratings

We rate LGT Bank's senior nonpreferred notes, which contractually rank below its senior unsecured debt, at 'A', one notch below the bank's SACP, reflecting the subordination risk. This follows our approach when an instrument is contractually or statutorily subordinated to preferred senior unsecured debt. In addition, we believe that the senior nonpreferred notes would be subject to a possible conversion or write-down only in a resolution. Therefore, we have not applied further notching from the SACP because we believe that senior nonpreferred notes do not carry any additional default risk relative to that represented by the SACP assessment.

Resolution Counterparty Ratings (RCR)

We have assigned an RCR to LGT Bank because we assess the resolution regime in Liechtenstein to be effective and the bank as likely to be subject to a bail-in led resolution if it reaches nonviability. The RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institution. We position the long-term RCR up to one notch above the long-term issuer credit rating (ICR) when the ICR ranges from 'BBB-' to 'A+'.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Research Update: LGT Bank Outlook Revised To Stable From Positive Amid COVID-19 Related Economic Downturn; 'A+/A-1' Ratings Affirmed, May 12, 2020
- Banking Industry Country Risk Assessment: Liechtenstein, Feb. 5, 2020
- LGT Bank AG, Oct. 7, 2019
- Liechtenstein-Based LGT Bank's First Issuance Of Senior Non-Preferred Notes Rated 'A', June 28, 2019
- Ask No Secrets: Europe's Private Banks Learn How To Live A New Normal, May 18, 2018

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	**a-**	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of August 3, 2020)*

LGT Bank AG	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Senior Subordinated	A
Senior Unsecured	A+
Senior Unsecured	A-1
Issuer Credit Ratings History	
12-May-2020	A+/Stable/A-1
17-May-2018	A+/Positive/A-1
02-Mar-2017	A+/Stable/A-1
09-Dec-2016	A+/Watch Neg/A-1
Sovereign Rating	
Liechtenstein	AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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