

# **LGT BANK AG, HONG KONG BRANCH**

(incorporated in Liechtenstein with limited liability)

Financial Information Disclosure Statements (Unaudited)  
for the six months ended 30 June 2021

## LGT BANK AG, Hong Kong Branch

### Section A : Branch Information

#### I Income Statement Information

(in thousands of Hong Kong Dollars)

	For the period ended 30 Jun 2021	For the period ended 30 Jun 2020
Interest income	<b>146,749</b>	359,234
Interest expenses	<b>(44,067)</b>	(207,751)
Other operating income		
Gains less losses arising from trading in foreign currencies	<b>122,575</b>	89,716
Gains less losses on securities held for trading purposes	<b>124,937</b>	103,767
Gains less losses from other trading activities	<b>94,953</b>	61,155
Net fees and commission income		
Gross fees and commission income	<b>807,963</b>	602,009
Gross fees and commission expenses	<b>(124,486)</b>	(108,184)
Others	<b>106,981</b>	107,086
Operating income	<b>1,235,605</b>	1,007,032
Operating expenses		
Staff and rental expenses	<b>(656,461)</b>	(545,447)
Other expenses	<b>(379,089)</b>	(341,974)
Charge for other provisions	<b>(162)</b>	(9)
Change in allowances for expected credit losses	<b>(1,817)</b>	(5,630)
Profit before taxation	<b>198,076</b>	113,972
Tax expense	<b>(33,725)</b>	(23,888)
Profit after taxation	<b>164,351</b>	90,084

## LGT BANK AG, Hong Kong Branch

### II Balance Sheet Information

(in thousands of Hong Kong Dollars)

	30 Jun 2021	31 Dec 2020
<b>Assets</b>		
Due from Exchange Fund	<b>435,200</b>	388,101
Cash and balances with banks	<b>5,224,396</b>	3,518,369
Placements with banks which have a residual contractual maturity of more than 1 month but not more than 12 months	-	829,409
Amount due from overseas offices of the institution	<b>17,785,455</b>	22,416,654
Investment securities	<b>7,483,982</b>	5,944,564
Loans and receivables	<b>22,645,031</b>	18,255,509
Fixed assets	<b>532,051</b>	597,010
Intangible assets	<b>1,173,754</b>	1,207,322
Total assets	<b>55,279,869</b>	53,156,938
<b>Liabilities</b>		
Deposits and balances from banks	<b>65,909</b>	22,522
Deposit from customers		
Demand deposits and current accounts	<b>17,835,384</b>	14,909,520
Time, call and notice deposits	<b>23,432,950</b>	27,806,861
Amount due to overseas offices of the institution	<b>11,705,326</b>	7,758,707
Provision for commitments and contingent liabilities	<b>162</b>	-
Other liabilities	<b>2,240,138</b>	2,659,328
Total liabilities	<b>55,279,869</b>	53,156,938

## LGT BANK AG, Hong Kong Branch

### III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1) Cash and balances with banks

	30 Jun 2021	31 Dec 2020
Cash and balances with banks	5,226,464	3,520,109
Less: Allowances for expected credit losses	<b>(2,068)</b>	(1,740)
	<b>5,224,396</b>	<b>3,518,369</b>

(2) Loans and receivables

	30 Jun 2021	31 Dec 2020
Loans and advances to customers	21,505,393	16,827,610
Loans and advances to banks	285,019	188,653
Less:		
Allowances for expected credit losses	<b>(2,203)</b>	(469)
	<b>21,788,209</b>	17,015,794
Accrued interest receivables	13,959	19,315
Unrealized gains on derivative instruments	667,722	1,077,814
Other accounts	175,141	142,586
	<b>856,822</b>	1,239,715
	<b>22,645,031</b>	18,255,509

(3) The breakdown of gross amount of loans and advances to customers by industry sectors and the corresponding balances covered by collateral or other security:

	30 Jun 2021		31 Dec 2020	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
Financial concerns	1,284,002	1,283,763	539,290	539,231
Individuals				
Others	5,136,877	5,132,375	4,250,136	4,230,240
Loans and advances for use outside Hong Kong	15,084,514	14,974,105	12,038,184	12,018,298
	<b>21,505,393</b>	<b>21,390,243</b>	<b>16,827,610</b>	<b>16,787,769</b>

## LGT BANK AG, Hong Kong Branch

---

### III Additional Balance Sheet Information (continued)

(in thousands of Hong Kong Dollars)

- (4) The table shows loans and advances to customers by major countries, amounting to not less than 10% of the aggregate loans and advances to customers:

	<b>30 Jun 2021</b>
British Virgin Islands	<b>9,577,835</b>
Hong Kong	<b>6,543,730</b>
	<b><u>16,121,565</u></b>
	31 Dec 2020
British Virgin Islands	7,356,269
Hong Kong	4,947,390
	<b><u>12,303,659</u></b>

The above geographical analysis is based on the location of the counterparty after taking into account the recognized risk transfer as defined in Section 98 of the Banking (Disclosure) Rules ("BDR"). The transfer of risk applies when an advance is guaranteed by a party in a country which is different from that of the counterparty.

- (5) No allowances for loans and advances or other exposures of LGT HK have been set aside or maintained at the overseas head office as at 30 June 2021 and 31 December 2020.
- (6) Impaired financial assets are individually assessed assets which exhibit objective evidence of impairment on an individual basis. There were no impaired loans and advances to customers and banks, balances with banks as at 30 June 2021 and 31 December 2020.
- (7) There were no overdue loans and advances to customers and banks, balances with banks as at 30 June 2021 and 31 December 2020.
- (8) There were no repossessed assets, and no rescheduled loans and advances to customers and banks, balances with banks as at 30 June 2021 and 31 December 2020.
- (9) There were no overdue other assets at LGT HK as at 30 June 2021 and 31 December 2020.

## LGT BANK AG, Hong Kong Branch

### IV International Claims

(in thousands of Hong Kong Dollars)

The table shows International claims by major countries or geographical segments, after taking into account any recognized risk transfer as defined in section 98 of the BDR, amounting to not less than 10% of the aggregate International claims:

	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank private sector</b>		<b>Total</b>
			<b>Non-bank financial institution</b>	<b>Non-financial private sector</b>	
<b>30 Jun 2021</b>					
Developed countries	<b>28,864,277</b>	<b>631,978</b>	<b>1,705,515</b>	<b>1,671,739</b>	<b>32,873,509</b>
of which					
- Liechtenstein	<b>22,128,869</b>	-	<b>4,114</b>	<b>8,566</b>	<b>22,141,549</b>
Developing Asia-Pacific	<b>937,466</b>	-	<b>435,755</b>	<b>7,220,798</b>	<b>8,594,019</b>
of which					
- China	<b>108,077</b>	-	<b>332,028</b>	<b>6,116,918</b>	<b>6,557,023</b>
	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank private sector</b>		<b>Total</b>
			<b>Non-bank financial institution</b>	<b>Non-financial private sector</b>	
<b>31 Dec 2020</b>					
Developed countries	32,267,867	989,739	1,214,380	1,277,785	35,749,771
of which					
- Liechtenstein	26,519,667	-	6,369	8,492	26,534,528
Developing Asia-Pacific	135,004	-	416,820	4,883,442	5,435,266
of which					
- China	84,811	-	311,938	3,894,818	4,291,567

## LGT BANK AG, Hong Kong Branch

### V Mainland Activities

(in thousands of Hong Kong Dollars, except ratios)

#### The Non-bank Mainland Exposures are as follows:

30 Jun 2021	On-balance sheet exposures	Off-balance sheet exposures	Total
Type of Counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,003,096	3,270	1,006,366
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposure	127,528	1,382	128,910
Total	1,130,624	4,652	1,135,276
Total assets after provision	55,279,707		
On-balance sheet exposures as percentage of total assets	2.05%		
31 Dec 2020	On-balance sheet exposures	Off-balance sheet exposures	Total
Type of Counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	766,143	5,665	771,808
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposure	95,314	1,364	96,678
Total	861,457	7,029	868,486
Total assets after provision	53,156,938		
On-balance sheet exposures as percentage of total assets	1.62%		

## LGT BANK AG, Hong Kong Branch

### VI Currency Risk

(in thousands of Hong Kong Dollars)

	USD	EUR	CNY
<b>30 Jun 2021</b>			
Spot assets	<b>30,637,623</b>	<b>3,523,826</b>	<b>800,786</b>
Spot liabilities	<b>(30,629,451)</b>	<b>(3,524,212)</b>	<b>(797,423)</b>
Forward purchases	<b>9,207,802</b>	<b>994,788</b>	<b>396,987</b>
Forward sales	<b>(9,213,932)</b>	<b>(993,220)</b>	<b>(399,798)</b>
Net options position	-	-	-
Net long (or net short) position	<b>2,042</b>	<b>1,182</b>	<b>552</b>

	USD	EUR	CNY	JPY	CHF	AUD
<b>31 Dec 2020</b>						
Spot assets	29,948,302	3,390,300	918,583	2,309,867	1,568,432	1,456,679
Spot liabilities	(29,948,000)	(3,385,854)	(915,515)	(2,310,293)	(1,578,022)	(1,456,265)
Forward purchases	7,175,823	887,346	116,013	1,615,284	1,605,364	1,276,488
Forward sales	(7,178,298)	(890,732)	(118,563)	(1,614,418)	(1,594,916)	(1,276,711)
Net options position	-	-	-	-	-	-
Net long (or net short) position	(2,173)	1,060	518	440	858	191

At 30 June 2021, USD, EUR, CNY (31 December 2020: USD, EUR, CNY, JPY, CHF and AUD) constitute 10% or more of the total net position in all foreign currencies.

There were no foreign currency net structural positions as at 30 June 2021 and 31 December 2020.

Net options position is calculated on the basis of delta-weighted positions of all foreign exchange options contracts.



## LGT BANK AG, Hong Kong Branch

### VII Off-Balance Sheet Exposures

(in thousands of Hong Kong Dollars)

	30 Jun 2021	31 Dec 2020
Contingent Liabilities and Commitments		
Contractual Amount		
Direct credit substitutes	717,148	702,478
Transaction-related contingent items	3,789	4,555
Amount owing on partly paid shares and securities	446,260	492,721
Other commitments	25,353,354	26,892,148

The contractual amounts represent the amount at risk should the contract be fully drawn upon the client default.

	30 Jun 2021	31 Dec 2020
Derivatives		
Contractual / Notional Amount		
Exchange rate contracts**	33,365,722	31,346,491
Interest rate contracts	1,207,026	1,253,874
Equity contracts	16,423,080	12,278,864
Others **	8,921,775	6,817,118
	<u>59,917,603</u>	<u>51,696,347</u>

	30 Jun 2021		31 Dec 2020	
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Exchange rate contracts **	228,688	219,935	346,533	335,830
Interest rate contracts	21,806	21,349	29,971	29,438
Equity contracts	300,807	300,807	607,441	607,441
Others **	116,421	115,295	93,869	92,836
	<u>667,722</u>	<u>657,386</u>	<u>1,077,814</u>	<u>1,065,545</u>

The contractual / notional amounts of derivatives indicate the volume of transactions outstanding at the balance sheet date, they do not represent amount at risk.

The contractual amounts and fair values of the above derivatives are shown on a gross basis with no offsetting presentation due to bilateral netting agreements.

\*\* Reclassification of gold contracts was made from exchange rate contracts to precious metals contracts in accordance with the change of the completion instructions of MA(BS)1. Comparative figures have been restated to conform to such changes and current period's presentation.

## LGT BANK AG, Hong Kong Branch

---

### VIII Liquidity

	<b>For the quarter ended</b>	
	<b>30 Jun 2021</b>	30 Jun 2020
Average liquidity maintenance ratio ("LMR")	<b>61.79%</b>	64.64%

The average LMR is calculated based on the arithmetic mean of the Branch's average LMR for each calendar month in that quarter, as reported in the liquidity position return submitted to the Hong Kong Monetary Authority.

### IX Disclosure on Remuneration

With reference to HKMA Supervisory Policy Manual CG-5, "Guideline on a sound remuneration system", remuneration information is disclosed by LGT Bank AG, hence it is not separately disclosed by LGT HK. For details on LGT Bank AG remuneration information, please refer to its Annual Report.

## LGT BANK AG, Hong Kong Branch

---

### Section B: Group Information (Consolidated Basis)

*(in thousands of Swiss Francs, except ratios)*

#### Financial Highlights of LGT Group (Consolidated Basis):

##### I Capital and Capital Adequacy

	<b>31 Dec 2020</b>	31 Dec 2019
Capital adequacy ratio	<b>21.9%</b>	19.9%
Shareholders' funds	<b>4,836,819</b>	4,618,965

The Capital ratios of LGT Group are based on the guidelines of the Basel Committee on Banking Supervision (Basel III) and its implementation in the legislation of the European Union and of the Liechtenstein Government.

##### II Other Financial Information

	<b>31 Dec 2020</b>	31 Dec 2019
Total assets	<b>49,870,305</b>	49,437,590
Total liabilities	<b>45,033,486</b>	44,818,624
Total loans and advances	<b>22,940,249</b>	27,638,242
Total customer deposits	<b>36,918,383</b>	38,253,931

	<b>For the year ended 31 Dec 2020</b>	For the year ended 31 Dec 2019
Pre-tax profit	<b>332,505</b>	353,804