



Media release

LGT reports solid business growth and continued strong net asset inflows

Vaduz, 19 August 2024. **LGT, the international Private Banking and Asset Management group owned by the Princely Family of Liechtenstein, continued its international growth path and achieved a good result in the first half of 2024, mainly driven by higher income from services (+15%). Group profit was CHF 174.6 million, down 22% on the exceptionally strong result for the prior-year period, as the interest rate environment normalised and growth-related investments in personnel and digitalisation continued. Net asset inflows remained strong in the first half of 2024, totalling CHF 8.0 billion (annualised growth of 5%). Compared with year-end 2023, assets under management increased 13% to CHF 356.0 billion as at the end of the first half of 2024. LGT is well positioned to achieve further profitable growth.**

International financial markets performed well overall in the first half of 2024, despite persistent geopolitical and economic uncertainties. LGT was able to further expand its client business in this environment and benefited from the steady increase in its asset base over the past few years. In line with its international growth strategy, LGT continued to invest in its client offering, advisory services and technology platform. Sustainable investments remain one of LGT's main focus areas, where as a pioneer LGT is continuously expanding its expertise and product range. Since September 2023, the results of the UK wealth management business acquired from abrdn have been reflected in LGT's results.

In the first half of 2024, the Group's total operating income increased 4% to CHF 1.28 billion compared with the prior-year period. Income from services in the core business rose 15% to CHF 852.4 million on the back of higher brokerage income and increased investment and administration fees. After the strong positive effect of the rise in interest rates seen in 2023, net interest income fell 30% to CHF 192.3 million in the normalised interest rate environment. Income from trading activities and other operating income rose 10% to CHF 239.1 million, reflecting interest rate and valuation effects on the bond portfolio, increased client activity and the higher asset base.

Personnel expenses rose 12% to CHF 767.2 million on the back of continued staff growth in the areas of client advisory as well as products, services and technology, while accruals for long-term compensation were lower than in the prior-year period. The 11% rise in business and office expenses to CHF 224.5 million is due in particular to higher IT costs for digitalisation projects. Depreciation, amortisation and provisions decreased 9% to CHF 68.0 million, mainly reflecting lower provisions.

The cost-income ratio increased to 77.3% as at the end of June 2024, compared with 74.2% as at the end of 2023. Group profit for the first half of 2024 was CHF 174.6 million, down 22% compared with the prior-year period. LGT is very well capitalised with a tier 1 capital ratio of 19.0% as at the end of June 2024 and has a high level of liquidity.

Strong net asset inflows and positive market performance

Organic net asset inflows totalled CHF 8.0 billion in the first half of 2024, which corresponds to an annualised growth rate of 5%. Both Private Banking and Asset Management contributed to this strong result. The reason for the year-on-year decrease in net new assets is a substantial one-off inflow from a major pension fund client of LGT Capital Partners in the first half of 2023, as previously communicated. Assets under management increased 13% to CHF 356.0 billion as at 30 June 2024, compared

with CHF 316.0 billion as at year-end 2023. In addition to the net asset inflows, this reflects positive market performance and foreign currency effects.

Outlook

LGT is well positioned to achieve further growth and to strengthen profitability, leveraging its significantly increased asset base over the past few years while making further targeted investments, particularly in digitalisation. LGT has a strong global private banking and asset management presence in key global markets. Its recent expansion in Germany, where it now has offices in Hamburg, Frankfurt, Cologne and Düsseldorf, is progressing very well. With the integration of abrdn's UK wealth management business, LGT has reinforced its presence in the UK and is well-positioned to expand in high-growth areas outside of London. LGT is also developing very favourably in Australia as well as in Asia, where it established Private Banking locations in India, Thailand and Japan.

To ensure high-quality and efficient service on its international platform, LGT is further investing in its IT infrastructure as part of its current digitalisation initiative. This includes the allocation of additional resources for the development of new digital tools, such as generative AI-based tools, that support operational processes.

In the first half of 2024, LGT's expertise was once again recognised with a number of awards. These include the World's Best for Family Office Services award, which it received at the Euromoney Global Private Banking Awards 2024, and the global awards in the ESG Investing and Philanthropy Service Offering categories at WealthBriefing's Wealth for Good Awards 2024.

H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT, says: "LGT achieved a good result in the first half of the year and continued to invest in areas we believe will be very relevant in the future. Our growth is testimony to the high level of trust placed in us. Today's markets are fraught with uncertainty, and investors and private individuals face a whole range of unknowns, from possible global political upheavals to the fundamental effects of climate change. These realities make it all the more important for us to use our long-standing wealth management expertise and the stability of our family business for the benefit of our clients. We aim to further develop LGT in a forward-looking manner to provide our clients with the best possible resources and solutions for their wealth."

LGT in brief

LGT is a leading international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family for over 90 years. As at 30 June 2024, LGT managed assets of CHF 356.0 billion (USD 396.2 billion) for wealthy private individuals and institutional clients. LGT employs over 5800 people who work out of more than 30 locations in Europe, Asia, the Americas, Australia and the Middle East. www.lgt.com

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Key figures as per 30.06.2024

	01.01. - 30.06.2024	01.01. - 30.06.2023	Change in %
Consolidated income statement (in CHF m)			
Net interest income and credit losses	192.3	275.9	-30
Income from services	852.4	741.5	15
Income from trading activities and other operating income	239.1	217.1	10
Total operating income	1 283.8	1 234.5	4
Personnel expenses	767.2	687.0	12
Business and office expenses	224.5	202.0	11
Total operating expenses	991.7	889.0	12
Depreciation, amortisation and provisions	68.0	74.6	-9
Tax and minority interests	49.5	47.4	4
Group profit	174.6	223.6	-22
Net asset inflow (in CHF bn)			
	8.0	15.8	
	30.06.2024	31.12.2023	
Assets under management (in CHF bn)	356.0	316.0	13
Total assets (in CHF bn)	59.8	58.1	3
Group equity capital (in CHF m)	6 099	5 987	2
Ratios			
Cost/income ratio	77.3%	74.2%	
BIS/Basel III leverage ratio	7.8%	7.7%	
Common equity tier 1 capital ratio (CET 1) ¹	19.0%	19.9%	
Liquidity coverage ratio (LCR)	214.3%	235.9%	
Headcount	5 852	5 638	4
Rating Moody's/Standard & Poor's der LGT Bank AG	Aa2/A+	Aa2/A+	

¹ LGT's CET 1 ratio equals tier 1 capital ratio and total capital ratio.

The half-year figures are unaudited.