



Media release

## **LGT achieves significant rise in profit and very strong net asset inflows in 2021**

Vaduz, 14 March 2022. **LGT, the international Private Banking and Asset Management group owned by the Princely Family of Liechtenstein, increased group profit by 21% to CHF 352.8 million in 2021 on the back of its higher asset base and strong investment performance. Assets under management grew 19% to CHF 285.8 billion as at the end of 2021, supported by net new assets of CHF 24.8 billion, reflecting a growth rate of over 10%. With its presence in key international markets, broad investment expertise and strong focus on sustainable solutions, LGT is well positioned to continue to achieve profitable growth in 2022.**

LGT reported excellent results for the 2021 financial year. In an overall favorable market environment, the client business saw strong growth across all regions, underscoring the quality and breadth of LGT's investment offering in all major asset classes. Client interest in sustainable investments, one of LGT's core competencies for numerous years, further increased in 2021. LGT also continued to selectively grow its international presence and, in July, completed its acquisition of UBS's wealth management business in Austria, where LGT is now the leading private bank.

LGT Group's total operating income rose 15% to CHF 2.13 billion in 2021 due to a strong increase in income from services of 33% to CHF 1.58 billion. Income from portfolio management, which rose substantially on the back of the higher asset base, as well as the brokerage business and significantly higher performance-based revenues all contributed to this result. In contrast, net interest income of CHF 204.5 million (down 11%) continued to be impacted by the negative interest rate environment, and income from trading activities and other operating income of CHF 345.5 million (down 21%) reflected higher hedging costs and lower income from the bond portfolio.

Business and office expenses increased 13% to CHF 302.4 million, as LGT continued to invest in the expansion of its business and in its IT infrastructure. A 16% rise in personnel expenses to CHF 1.30 billion reflects organic and acquisition-related staff growth as well as higher performance-based compensation. Overall, total operating expenses increased 15% year on year to CHF 1.60 billion.

The cost-income ratio remained stable at 75.2% as at the end of 2021, compared with 75.0% as at 31 December 2020. Group profit was CHF 352.8 million for 2021, up 21% year on year. LGT is very well capitalized with a tier 1 capital ratio of 22.1% as at 31 December 2021 and has a high level of liquidity.

### **Record net asset inflows**

LGT's exceptionally strong net new asset generation in previous years continued in 2021, where net asset inflows totaled a record CHF 24.8 billion, corresponding to an organic growth rate of 10.3%. Both the private banking and the asset management businesses contributed to this strong growth across regions, with LGT Private Banking generating new asset inflows of CHF 13.8 billion and LGT Capital Partners CHF 11.0 billion. LGT Private Banking contributed an additional CHF 4.5 billion in client assets from the acquisition of UBS's wealth management business in Austria.

Assets under management were CHF 285.8 billion as at the end of 2021, up 19% year on year, reflecting the net new assets as well as positive market and investment performance. As at the end of 2021, LGT Private Banking and LGT Capital Partners had assets under management of CHF 207.5 billion and CHF 78.3 billion, respectively.

### **Strategy and outlook**

LGT started 2022 with strong momentum and, with its presence in key international markets and broad investment expertise, is well positioned to achieve further profitable growth. LGT has an established business in core European markets as well as in Asia and the Middle East, making it one of the few private banks that can offer clients a global platform. This was further strengthened in November, when LGT opened a new wealth management office in Tokyo, and in December, when the bank announced that it would expand its private banking business to Asia-Pacific with the acquisition of Crestone Wealth Management, Australia's leading wealth manager for high-net-worth individuals. In Europe, the collaboration with LIQID, a digital asset manager in which LGT acquired a strategic minority stake in 2022, was launched successfully. In addition, LGT is exploring various options for re-establishing a local private banking presence in Germany.

Proven investment expertise in all major asset classes remains one of the main drivers of LGT's successful business with high-net and ultra-high-net-worth clients. In the future, LGT will further leverage this expertise through technological and digital applications. LGT continues to place a strong focus on sustainable investments and expand its range of related solutions. It has offered in-house sustainable equity and bond funds since 2009, and portfolio management mandates with a focus on sustainability since 2019. In 2022, it will launch a new product offering in Europe that will provide advisory clients with a range of sustainable investment solutions. In the impact investing segment, LGT Private Banking very successfully launched its first impact fund last year in cooperation with its sister company Lightrock.

The new management structures of the now independent Group business units LGT Private Banking, LGT Capital Partners and Lightrock were successfully introduced in 2021. Lightrock was established as a separate legal entity in 2021; for LGT Private Banking and LGT Capital Partners, this step is planned for 2022.

Talent development and employee satisfaction remain key priorities across all of LGT's businesses. In 2021, LGT Private Banking was certified for the first time by the international consulting and research institute Great Place to Work. In its list of "Best Workplaces in Europe", LGT was the only financial institution to rank among the top 25 in the "Multinational" category in 2021.

H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT, said: "LGT's centennial was a good year for us in every respect. Despite the ongoing pandemic, we continued to serve our clients as a reliable partner and further expanded our investment offering, which had a very positive impact on our results. In addition, we grew our international presence in various regions, from Europe and Japan to Australia. We also set an important agenda in the area of sustainability and committed to reducing net emissions to zero by 2030, both in our operations and our own investments. Last but not least, we became more digital in 2021, while also further strengthening our client relationships and corporate culture. Our client focus, clear strategy as well as agility will remain key to our continued success in 2022."

### **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 31 December 2021, LGT managed assets of CHF 285.8 billion (USD 313.7 billion) for

wealthy private individuals and institutional clients. LGT employs over 4100 people who work out of more than 20 locations in Europe, Asia, the Americas and the Middle East. [www.lgt.com](http://www.lgt.com)

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## Key figures as per 31.12.2021

	31.12.2021	31.12.2020	Change (in %)
<b>Consolidated income statement (in CHF m)</b>			
Net interest income and credit losses	204.5	230.7	-11.4
Income from services	1 582.2	1 185.2	33.5
Income from trading activities and other operating income	345.5	437.2	-21.0
<b>Total operating income</b>	<b>2 132.2</b>	<b>1 853.1</b>	<b>15.1</b>
Personnel expenses <sup>1</sup>	1 302.0	1 120.8	16.2
Business and office expenses	302.4	268.6	12.6
<b>Total operating expenses</b>	<b>1 604.4</b>	<b>1 389.4</b>	<b>15.5</b>
Depreciation, amortization and provisions	124.6	131.2	-5.0
Tax and minority interests	50.4	41.0	23.0
<b>Group profit</b>	<b>352.8</b>	<b>291.5</b>	<b>21.0</b>
<b>Assets under management (in CHF bn)</b>			
	<b>285.8</b>	<b>240.7</b>	<b>18.7</b>
<b>Net asset inflow (in CHF bn)</b>			
	<b>24.8</b>	<b>11.6</b>	
<b>Asset growth from acquisitions (in CHF bn)<sup>2</sup></b>			
	<b>4.5</b>	<b>-</b>	
<b>Total assets (in CHF bn)</b>			
	<b>52.9</b>	<b>49.9</b>	<b>6.0</b>
<b>Group equity capital (in CHF m)</b>			
	<b>6 047</b>	<b>4 837</b>	<b>25.0</b>
<b>Ratios (in %)</b>			
Cost/income ratio	75.2%	75.0%	
Tier 1 ratio	22.1%	21.9%	
Liquidity Coverage Ratio	168.1%	221.6%	
<b>Headcount</b>			
	<b>4 114</b>	<b>3 838</b>	<b>7.2</b>
<b>Rating Moody's/Standard &amp; Poor's for LGT Bank Ltd.</b>			
	<b>Aa2/A+</b>	<b>Aa2/A+</b>	

<sup>1</sup> Incl. a one-off charge of CHF 59 million in 2020 due to the earn-out payment in connection with the completion of the acquisition of LGT Vestra

<sup>2</sup> Acquisition of UBS's wealth management business in Austria as of 31 July 2021

Final Audit: 27 April 2022