



Media release

LGT reports strong revenue and net new asset growth in 2019

Vaduz, 16 March 2020. **LGT, the international private banking and asset management group owned by the Princely House of Liechtenstein, achieved further strong revenue growth of 8% and a group profit of CHF 308.1 million in the 2019 financial year. Net asset inflows doubled year-on-year to CHF 13.9 billion, corresponding to an organic growth rate of 7%. Assets under management increased 15% to CHF 227.9 billion as at the end of 2019. For the current year, LGT remains confident that it will achieve further profitable growth by building on its strengths and long-term strategy.**

LGT continued on its profitable growth path during the 2019 financial year, which was characterized by economic and political challenges and variable market conditions. The strong organic revenue growth and high net asset inflows are testimony to LGT's excellent market position and the trust placed in it by clients. LGT continued to invest in the expansion of its international presence, its well diversified investment solutions offering and its in-depth wealth management expertise for private and institutional clients.

The 8% increase in total operating income to CHF 1.82 billion in 2019 underscores the broad diversification of LGT's business. Income from services rose 7% to CHF 1.16 billion, which is mainly attributable to the larger average asset base and higher performance-based revenues. Net interest income increased 3% to CHF 286.1 million. Income from trading activities and other operating income rose 20% to CHF 368.2 million as a result of higher client trading volumes.

Due to higher business volumes and targeted investments, total operating expenses increased 9% to CHF 1.35 billion for the year under review. Personnel expenses rose 15% to CHF 1.06 billion, reflecting the increased headcount as at year-end (+8%), the full-year effect of prior-year hiring as well as higher performance-related compensation components. Business and office expenses decreased 11% to CHF 281.9 million, due in particular to lease payments which are now being largely recognized under depreciation, amortization and provisions in line with the IFRS 16 accounting standard.

The cost-income ratio remained stable at 74.1% as at the end of 2019 compared with 74.0% as at the end of 2018. Overall, LGT achieved a group profit of CHF 308.1 million (-2%) in 2019, compared with CHF 314.1 million in the previous year.

LGT is very well capitalized with the tier 1 capital ratio at 19.9% as at the end of 2019, and has a high level of liquidity.

Net asset inflows doubled

Net asset inflows doubled to CHF 13.9 billion in 2019 compared with the solid result (CHF 6.8 billion) achieved in the previous year. This corresponds to a growth rate of 7% (2018: 3%) of assets under management. All regions and both of LGT's business areas – Private Banking and Asset Management – contributed to this result.

Assets under management as at the end of 2019 totaled CHF 227.9 billion, representing a 15% year-on-year increase. In addition to net asset inflows, this rise is attributable to positive market performance.

Strategy and outlook

LGT will continue to focus on providing efficient services and offering its clients a broad range of asset classes and solutions. In following its long-term corporate philosophy, which focuses on sustainable value creation for all its stakeholders, LGT has over the years expanded its offering of environmentally and socially sustainable investment solutions. Already in 2009, LGT introduced its sustainable equity and bond funds, and in 2017, it launched a comprehensive sustainability rating for equities, bonds, funds and ETFs. Additional important components of its offering include philanthropic commitments as well as impact investing, a segment that was further strengthened in 2019, among other things, through the acquisition of the leading Indian provider Aspada. Since 2019, LGT has also offered portfolio management solutions with a focus on sustainability to its clients in Liechtenstein and Switzerland. Furthermore, to support the achievement of the climate goals of the Paris Agreement, LGT has this year started to systematically exclude companies that produce coal or generate energy from coal from its investments.

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT: "We once again achieved good results last year and we continue to progress on our successful growth trajectory – firmly based on the trust our clients place in us, our financial solidity and our broad offering of investment solutions. We are convinced that our long-term and comprehensive approach to business is an important prerequisite for sustainable success. In this context, we aspire to be a leader when it comes to integrating sustainability criteria into our product range and business activities. Our stable ownership structure enables us to take a cross-generational perspective together with our clients, creating value both today and tomorrow."

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 at 31 December 2019, LGT managed assets of CHF 227.9 billion (USD 235.3 billion) for wealthy private individuals and institutional clients. LGT employs over 3600 people who work out of more than 20 locations in Europe, Asia, the Americas and the Middle East. www.lgt.com

Your contact

Christof Buri, Head of Marketing & Communications

Tel. +423 235 23 03

lgt.media@lgt.com

Key figures as per 31.12.2019

	31.12.2019	31.12.2018	Change (in %)
Consolidated income statement (in CHF m)			
Net interest income and credit losses	286.1	277.8	3.0
Income from services	1 163.4	1 090.2	6.7
Income from trading activities and other operating income	368.2	307.8	19.6
Total operating income	1 817.7	1 675.8	8.5
Personnel expenses	1 064.8	924.0	15.2
Business and office expenses	281.9	316.4	-10.9
Total operating expenses	1 346.7	1 240.3	8.6
Depreciation, amortization and provisions	117.2	84.1	39.3
Tax and minority interests	45.7	37.2	22.9
Group profit	308.1	314.1	-1.9
Assets under management (in CHF bn)			
	227.9	198.2	15.0
Net asset inflow (in CHF bn)			
	13.9	6.8	
Total assets (in CHF bn)			
	49.4	43.4	13.8
Group equity capital (in CHF m)			
	4 619	4 112	12.3
Ratios (in %)			
Cost/income ratio	74.1%	74.0%	
Tier 1 ratio	19.9%	17.6%	
Liquidity Coverage Ratio	218.3%	203.3%	
Headcount			
	3 662	3 405	7.5
Rating Moody's/Standard & Poor's for LGT Bank Ltd.			
	Aa2/A+	Aa2/A+	

Final audit: 23 April 2020