



Private  
Banking

# Annual Report 2023

LGT Bank Ltd., Vaduz



| Forward-looking  
for generations

“

LGT Bank delivered exceptionally good results in 2023, which enables us to further invest in strengthening our business.

Olivier de Perregaux, Chairman of the Board of Directors

# Contents

- 4** Organisational structure
- 5** The financial year in comparison
- 6** Message from the Chairman and CEO
- 8** Balance sheet
- 9** Off-balance sheet transactions
- 10** Income statement
- 11** Appropriation of profit
- 12** Flow of funds statement
- 14** Notes to the financial statements
- 20** Details on the balance sheet
- 36** Details on the off-balance sheet transactions
- 38** Details on the income statement
- 40** Additional information
- 44** Report of the statutory auditor
- 50** International locations

# Organisational structure

December 2023

## **Board of Directors**

Olivier de Perregaux, Chairman  
Gabrielle Nater-Bass  
Michael Bürge  
Roland Schubert  
Stephan Tanner  
Hans Roth

## **Internal Audit**

Daniel Hauser

## **Executive Board**

Roland Matt, CEO  
Ivo Klein  
Markus Werner  
Florian Dürselen  
Stefan F. Oehri

## **Statutory Auditor**

PricewaterhouseCoopers AG, Zurich

April 2024

## **Board of Directors**

Olivier de Perregaux, Chairman  
Gabrielle Nater-Bass  
Michael Bürge  
Roland Schubert  
Stephan Tanner  
Hans Roth

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Stefan F. Oehri

# The financial year in comparison

Balance sheet		2023	2022	Absolute	Change %
Balance sheet total	CHF m	46 938.6	49 588.6	-2 650.0	-5.3
Shareholders' funds (after profit distribution)	CHF m	3 350.5	3 217.5	133.0	4.1
Client deposit	CHF m	23 639.1	25 489.6	-1 850.5	-7.3
Due from clients	CHF m	14 660.0	16 417.3	-1 757.3	-10.7
<b>Profit and loss account</b>					
Net interest income	CHF m	478.0	269.9	208.1	77.1
Net commission and fee income	CHF m	367.3	405.7	-38.4	-9.5
Income from financial transactions	CHF m	154.9	107.6	47.3	44.0
Gross operating income	CHF m	1 087.5	847.7	239.8	28.3
Personnel expenses	CHF m	334.2	305.1	29.1	9.5
Operating expenses	CHF m	404.1	352.2	51.9	14.7
Result from ordinary business activities	CHF m	294.6	153.7	140.9	91.6
Income tax	CHF m	36.4	19.7	16.7	85.0
Profit for the year	CHF m	258.2	134.1	124.2	92.6
<b>Capital ratio</b>					
Capital ratio	%	19.7	18.8	0.9	4.8
<b>Client assets under administration</b>					
Client assets under administration	CHF m	113 466.1	107 993.8	5 472.2	5.1
<b>Personnel (full-time equivalents)</b>					
Staff at year-end		1 220	1 189	31	2.6
<b>Rating</b>					
Moody's		Aa2	Aa2		
Standard & Poor's		A+	A+		

# Message from the Chairman and CEO

In the 2023 financial year, financial markets were characterised by persistent geopolitical uncertainties, as well as inflationary and other economic trends that were difficult to forecast. Despite this challenging investment environment, LGT Bank Ltd. continued to record profitable growth.

## Increase in gross profit

Net interest income increased 77 per cent year on year to CHF 478.0 million. This was primarily due to central banks continuing to raise interest rates in 2023, after in 2022 tightening expansionary monetary policies. In wealth management for private clients, LGT Bank Ltd.'s core business, commission income from other services fell 9.3 per cent to CHF 434.2 million, due largely to a fall in commission income from securities and investment business.

Business expenses rose more than 12 per cent compared with the prior year to CHF 738.3 million. Operating expenses increased nearly 15 per cent to CHF 404.1 million, in line with business growth. Personnel expenses rose 9.5 per cent to CHF 334.2 million, due primarily to higher variable wage components. As at the end of 2023, the number of employees stood at 1220 in full-time equivalents (previous year: 1189).

Overall, LGT Bank Ltd. recorded gross operating income of CHF 1087.5 million in 2023, which corresponds to an increase of CHF 239.8 million. Gross profit increased by CHF 158.7 million or 83 per cent to CHF 349.2 million. Profit for the year was CHF 124.2 million higher at CHF 258.2 million. The balance sheet total decreased 5.3 per cent to CHF 46.94 billion, as the continuation of monetary policy tightening resulted in considerable asset shifts.

## Higher assets under management

Client assets of LGT Bank Ltd. rose 5.1 per cent to CHF 113.5 billion. Net asset inflows totalled CHF 2.3 billion.

## Strong capitalisation

LGT Bank Ltd. is very well capitalised. As at year-end 2023, the capital ratio was 19.7 per cent (slightly higher compared with the previous year) of risk-weighted assets. It is therefore substantially above the minimum regulatory requirement (Pillar 1) of 8 per cent.

## Outstanding achievements

In 2023, LGT Private Banking once again received accolades for its expertise. LGT Private Banking was recognised worldwide as the best bank in three sustainability categories at the Wealth-Briefing Wealth for Good awards. LGT was rated *summa cum laude* and selected as the best private bank in Liechtenstein by Handelsblatt Elite Report. The renowned Fuchsbriefe Report designated LGT a "Grandmaster" (highest ranking) in its new sustainability ranking, and LGT was named best bank in Liechtenstein and one of only seven institutions in German-speaking Europe to receive a "very good" rating. At the Euromoney Private Banking Awards, LGT was named best private bank in Europe in the categories ESG Investing; UHNWI; and Family Office Services.

## Ownership structure of LGT Bank Ltd.

All shares of LGT Bank Ltd. are held by LGT Group Holding Ltd., a 100 per cent subsidiary of LGT Group Foundation. No own shares were acquired or taken as pledge, either directly or indirectly. LGT Bank Ltd. is part of LGT Group (LGT), a global Private Banking and Asset Management Group that takes an integrated approach to the management and development of the individual Group companies. The LGT Annual Report contains more detailed information on the Group's financial strength, expertise and development.

## Corporate governance and leadership structure

As of 1 January 2023, Mark Steiner was appointed Chief Operating Officer of the newly created Group-level governance structure for Europe, Middle East and Africa for LGT Private Banking. Stefan F. Oehri took over as COO of LGT Bank Ltd. as of 1 January 2023, succeeding Mark Steiner on the Executive Board.

A Group-level governance structure for Europe, Middle East and Africa took effect for LGT Private Banking on 1 January 2023. The governance structure strengthens collaboration across locations and helps manage further profitable growth more effectively. Since 1 March 2024, LGT Middle East has been managed as part of the APAC region. With this alignment, LGT Private Banking EMEA has become LGT Private Banking Europe.

## Outlook

Despite the many challenges, LGT Bank delivered exceptionally good results in 2023, which enables us to further invest in strengthening our business. LGT Group will continue to consistently execute its strategy and is confident that it will achieve further solid growth while offering clients tailored investment solutions for every market scenario. As an international private bank, LGT has an ambitious sustainability strategy and is continuously expanding its range of sustainable investment solutions for clients. Digitalisation represents a further focus area for LGT Group, including opening an innovation centre in Barcelona in the year under review. We will continue to invest in expanding our investment solutions, in sustainability at all levels and in digitalisation in 2024.

Olivier de Perregaux, Chairman of the Board of Directors  
Roland Matt, Chief Executive Officer

# Balance sheet

Assets (CHF thousands)	Appendix	31.12.2023	31.12.2022	Absolute	Change %
Cash and cash equivalents	16	2 995 610	2 949 026	46 585	1.6
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	3, 16, 22	4 243 911	5 552 192	-1 308 281	-23.6
Due from banks	16	17 058 921	16 666 274	392 647	2.4
Due from clients	1, 16	14 660 045	16 417 343	-1 757 298	-10.7
of which mortgage loans	1, 16	3 087 930	3 122 452	-34 522	-1.1
Bonds and other fixed interest-bearing securities	2, 3, 4, 21, 23, 40	5 330 169	4 939 303	390 867	7.9
Equities and other non-fixed interest securities	2, 3, 4, 40	701	37 788	-37 087	
Participations	5, 7, 8, 40	295	295	0	0.0
Shares in affiliated companies	5, 6, 8, 21, 40	11 783	4 655	7 128	153.1
Intangible assets	8, 9	118 426	153 340	-34 914	-22.8
Tangible assets	8	73 409	71 271	2 138	3.0
Other assets	41	2 278 681	2 717 574	-438 892	-16.2
Accrued income and prepaid expenses		166 632	79 568	87 064	109.4
<b>Total assets</b>		<b>46 938 584</b>	<b>49 588 628</b>	<b>-2 650 044</b>	<b>-5.3</b>
<b>Liabilities (CHF thousands)</b>					
Due to banks	16	17 437 522	18 581 281	-1 143 760	-6.2
Due to clients	16, 24	21 314 646	23 098 256	-1 783 610	-7.7
Securitized liabilities	12, 16, 25	2 324 462	2 391 387	-66 925	-2.8
Other liabilities	42	2 103 147	2 034 951	68 196	3.4
Accrued expenses and deferred income		223 893	166 899	56 994	34.1
Provisions	13, 16, 26, 37	59 204	27 749	31 455	113.4
Share capital	14	291 201	291 201	0	0.0
Revenue reserves	15	1 624 500	1 624 500	0	0.0
Profit carried forward		1 301 787	1 238 345	63 442	5.1
Profit for the year		258 221	134 059	124 162	92.6
<b>Total liabilities</b>		<b>46 938 584</b>	<b>49 588 628</b>	<b>-2 650 044</b>	<b>-5.3</b>

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# Off-balance sheet transactions

Off-balance sheet (CHF thousands)	Appendix	31.12.2023	31.12.2022	Absolute	Change %
<b>Contingent liabilities</b>	1, 27	<b>11 112 598</b>	<b>10 793 217</b>	<b>319 381</b>	<b>3.0</b>
of which liabilities from guarantees and indemnity agreements as well as from the furnishing of collateral	1, 27	11 112 598	10 793 217	319 381	3.0
<b>Credit risks</b>		<b>2 494 342</b>	<b>2 399 861</b>	<b>94 481</b>	<b>3.9</b>
of which irrevocable commitments	1	562 088	471 022	91 066	19.3
of which commitments to subscribe additional contributions for shares or other equity securities	1	1 932 254	1 928 839	3 415	0.2
<b>Derivative financial instruments</b>					
Positive replacement values	30, 41	1 353 751	1 685 246	-331 495	-19.7
Negative replacement values	30, 42	1 900 775	1 807 123	93 652	5.2
Contract volume	30	106 607 226	120 088 469	-13 481 243	-11.2
<b>Fiduciary transactions</b>	29	<b>533 433</b>	<b>570 145</b>	<b>-36 712</b>	<b>-6.4</b>

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# Income statement

Profit and loss account (CHF thousands)	Appendix	2023	2022	Absolute	Change %
Interest earned	32, 33, 34	1 819 580	666 012	1 153 568	173.2
Interest paid	33	-1 341 582	-396 109	-945 473	238.7
<b>Net interest income</b>		<b>477 997</b>	<b>269 902</b>	<b>208 095</b>	<b>77.1</b>
Equities and other non-fixed interest securities		2	0	2	0.0
Participations		1 007	938	69	7.4
Shares in affiliated companies		26 691	0	26 691	0.0
<b>Current income from securities</b>		<b>27 700</b>	<b>938</b>	<b>26 762</b>	<b>2 853.1</b>
Commission income from lending business		9 384	7 653	1 731	22.6
Commission income from securities and investment business		411 189	454 522	-43 333	-9.5
Commission from other services		13 667	16 528	-2 861	-17.3
<b>Income from commission business and services</b>		<b>434 241</b>	<b>478 704</b>	<b>-44 463</b>	<b>-9.3</b>
Commission paid		-66 949	-73 039	6 090	-8.3
<b>Net commission and fee income</b>		<b>367 292</b>	<b>405 664</b>	<b>-38 372</b>	<b>-9.5</b>
<b>Income from financial transactions</b>		<b>154 915</b>	<b>107 587</b>	<b>47 328</b>	<b>44.0</b>
of which from trading	34	158 294	117 694	40 600	34.5
<b>Other ordinary income</b>	43	<b>59 596</b>	<b>63 657</b>	<b>-4 061</b>	<b>-6.4</b>
<b>Gross operating income</b>		<b>1 087 501</b>	<b>847 749</b>	<b>239 752</b>	<b>28.3</b>
Personnel expenses	35	-334 220	-305 127	-29 093	9.5
Operating expenses	36	-404 085	-352 167	-51 918	14.7
<b>Business expenses</b>		<b>-738 305</b>	<b>-657 294</b>	<b>-81 011</b>	<b>12.3</b>
<b>Gross profit</b>		<b>349 196</b>	<b>190 455</b>	<b>158 741</b>	<b>83.3</b>
Amortization of intangible assets and depreciation of tangible assets		-31 910	-34 117	2 207	-6.5
Other ordinary expenses	37, 44	-19 711	-1 979	-17 732	896.0
Value adjustments on receivables and funds allocated to provisions for contingent liabilities and credit risks		-13 369	-11 620	-1 749	15.1
Income from the release of value adjustments on receivables and from provisions for credit risks		10 368	10 970	-602	-5.5
<b>Result on ordinary business activity</b>		<b>294 573</b>	<b>153 708</b>	<b>140 865</b>	<b>91.6</b>
Income tax		-36 353	-19 650	-16 703	85.0
<b>Profit for the year</b>		<b>258 221</b>	<b>134 059</b>	<b>124 162</b>	<b>92.6</b>

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# Appropriation of profit

Appropriation of net profit – proposal of the Board of Directors to the general meeting of shareholders (CHF thousands)	2023	2022
Profit for the year	258 221	134 059
Profit carried forward	1 301 788	1 238 345
Accumulated profit for the year	1 560 009	1 372 404
Profit distribution		
Allocation to legal reserves	0	0
Allocation to statutory reserves	0	0
Allocation to other reserves	0	0
Dividend on company capital	125 216	70 616
Other profit distribution	0	0
Profit carried forward	1 434 793	1 301 788

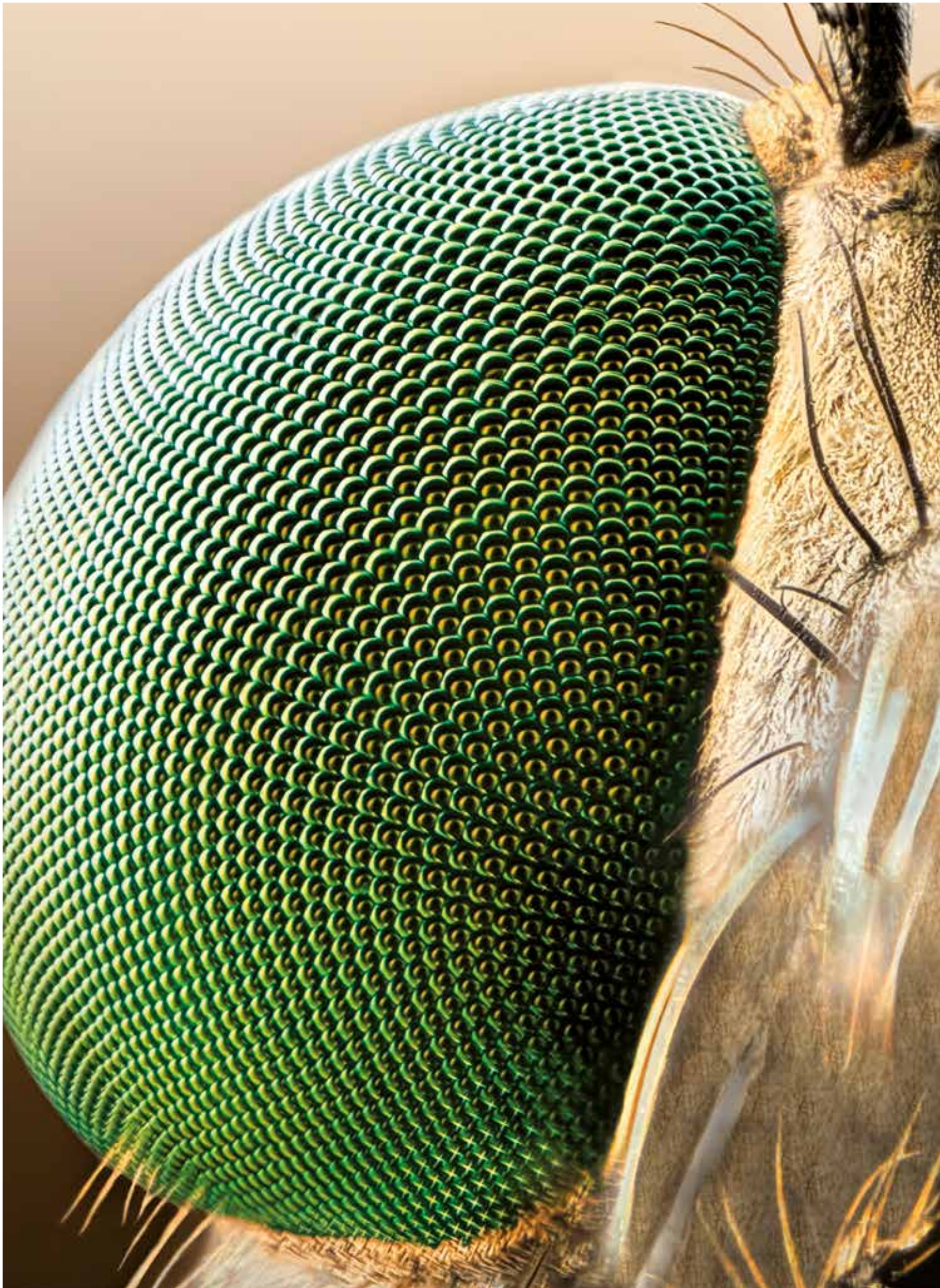
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# Flow of funds statement

Flow of funds statement (CHF thousands)	2023		2022	
	Source of funds	Application of funds	Source of funds	Application of funds
<b>Flow of funds from operating result (internal financing)</b>				
Profit for the year	258 221		134 059	
Depreciation of non-current assets	31 835		33 995	1 132
Value adjustments and provisions	31 455		5 591	
Accrued income and prepaid expenses		87 064		30 858
Accrued expenses and deferred income	56 994		39 286	
Other positions				
Previous-year dividend		70 616		50 232
<b>Balance</b>	<b>220 825</b>		<b>130 709</b>	
<b>Flow of funds from changes to non-current assets</b>				
Shares in affiliated companies		7 128		4 000
Securities and precious metals as non-current assets				
Intangible assets		18	90	
Properties		8 604	338	6 917
Other tangible assets		514	722	760
Currency difference	10 077		2 878	
<b>Balance</b>		<b>6 188</b>		<b>7 649</b>
<b>Flow of funds from banking operations</b>				
<b>Medium and long-term business (&gt; 1 year)</b>				
Due to banks	70 474		20 641	
Due to clients		45 210	68 469	
Bonds	142 920			128 590
Medium-term notes		5 928	20 235	
Other liabilities		169 940	200 572	
Due from banks	4 586		33 153	
Due from clients (excl. mortgage loans)	110 160		31 864	
Mortgage loans		47 372	40 759	
Other receivables	47 203			256 012
<b>Short-term business (≤ 1 year)</b>				
Due to banks		1 214 234	6 113 364	
Due to clients		1 738 400	1 769 098	
Other liabilities	34 220		875 029	
Due from banks		397 233		10 172 434
Due from clients	1 694 510			273 793
Trading positions in securities and precious metals		267 397	219 703	
Securities and precious metals held as current assets (excl. trading positions)	1 356 876			5 068 065
Other receivables	256 715			511 567
<b>Liquid funds</b>				
Cash and cash equivalents		46 585	6 894 516	
<b>Balance</b>		<b>214 635</b>		<b>123 058</b>
<b>Total</b>	<b>220 825</b>	<b>220 825</b>	<b>130 709</b>	<b>130 709</b>

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# Notes on business activities

## General information

LGT Bank Ltd. is headquartered in Vaduz and operates as a universal bank and securities trader. The company has branch offices in Hong Kong, Vienna, Dublin, Munich and since 2023 in London. The bank has representative offices in Bahrain, Geneva, Lugano and Zurich.

As at 31 December 2023, LGT Bank Ltd. had 1220 employees in full-time equivalents (2022: 1189). In 2023, the average number of employees was 1296 (2022: 1163).

As a universal bank, LGT Bank is active in the areas of wealth management (commission business and services) and trading, as well as in the money market and the lending business.

## Wealth management

LGT Bank Ltd. is one of the leading international names in traditional private banking. The bank offers a broad spectrum of products and services that enable clients to choose the best solution for their needs. The majority of income from the commission business and services is attributable to wealth management. The commission business and services are also the bank's main source of income.

## Money market business

The money market business consists of money in the form of call money, time deposits and fiduciary investments that are deposited with the bank. If these funds are not used for lending purposes, they are placed with top-tier banks, predominantly in Western Europe. These investments are made in the form of easily convertible money market paper (certificates of deposit, euro commercial paper). Despite its focus on private banking, the interest margin business is an important source of income for the bank.

## Trading business

LGT Bank Ltd. executes trading transactions for clients and on its own account in securities, foreign exchange and precious metals. The bank adheres to conservative guidelines when trading on its own account. Derivative instruments are used mostly for hedging purposes.

## Lending business

Lombard loans and mortgages on residential property account for the majority of loans granted to clients. Mortgages are granted primarily for the purpose of financing real estate in Liechtenstein and Switzerland. Real estate financing in selected other countries is offered as part of the wealth management offering.

# Accounting principles

## Basic principles

The annual accounts are prepared in accordance with the act and ordinance on banks and investment firms (Banking Act, Bank Ordinance) and applicable provisions of the Law on Persons and Companies (PGR). LGT Bank Ltd. publishes its financial statements in thousands of Swiss francs (CHF thousands) unless otherwise stated.

Due to rounding, the numbers presented in this report may not always add up precisely to the totals in the tables and text.

## Consolidation

LGT Bank Ltd. does not prepare consolidated accounts because the ultimate parent company, LGT Group Foundation, is subject to the Banking Act and prepares annual accounts at Group level. The consolidated accounts are available in the offices of LGT Marketing & Communications located at LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, and can be accessed on the internet under [www.lgt.com](http://www.lgt.com)

## Recording and reporting of transactions

All business transactions are recorded in the company's accounts on the date of the transaction, which is also used as the valuation date for the calculation of income.

## Foreign currency conversions

Assets and liabilities denominated in foreign currencies are converted at the rates applicable on the balance sheet date. For income and expenses, the rates used are those applicable at the time of the transaction. Futures contracts are valued at residual maturity rates.

Balance sheet items for foreign branches are translated at the prevailing exchange rate on the balance sheet date. Income statement items are translated at average monthly exchange rates.

Conversion rates as of the balance sheet date	31.12.2023	31.12.2022
1 EUR	0.9297	0.9871
1 USD	0.8415	0.9254
1 GBP	1.0723	1.1130
1 SGD	0.6378	0.6898
1 HKD	0.1078	0.1186
100 JPY	0.5966	0.7009

## Cash and cash equivalents, debt instruments of public authorities and bills which are eligible for refinancing at central banks, and claims on banks

Cash and cash equivalents and claims on banks are reported in the balance sheet at par value. For claims on banks, specific value adjustments and portfolio value adjustments are also deducted. Registered money market claims, rescriptions and treasury certificates are reported inclusive of amortised discounts.

## Due from clients

Non-impaired claims against clients are reported in the balance sheet at nominal value. Impaired claims, i.e. claims where it appears unlikely that the debtor will be able to meet their future obligations, are valued on an individual basis and impairments are covered by specific value adjustments. Loans are considered impaired at the latest when the contractual payments for capital and/or interest are more than 90 days pastdue. Interest which has been outstanding for more than 90 days is considered pastdue. Pastdue interest and interest which is at risk of not being received is no longer recovered but is instead subjected to value adjustments.

The impairment is measured based on the difference between the book value of the claim and the probable recoverable amount, taking account of the estimated net present value on the balance sheet date. Net present value is calculated based on the prevailing interest rate for the amount due and the expected dates of the future incoming payments. Specific value adjustments are deducted directly from the corresponding claims.

In addition to the specific value adjustments, the bank makes portfolio value adjustments to cover any latent default risks present on the balance sheet date. Equivalent claims not entitled to specific value adjustments are grouped together into risk portfolios. A calculation model is then applied to each risk portfolio to determine the necessary portfolio value adjustments based on the probability of default and loss given default. Portfolio value adjustments are offset against the corresponding claims. Changes to the portfolio value adjustments are entered in the income statement.

Impaired claims are reclassified as performing if the outstanding capital amounts and interest are once again being paid within the period that was contractually agreed to.

### Trading positions comprising securities and precious metals

Trading positions are valued at the market value on the balance sheet date. For positions which are not traded on a recognised exchange or for which there is no representative market, valuation is carried out at the lower of cost or market.

### Securities and precious metals held as current and non-current assets

Current assets are valued at the lower of cost or market. Money market papers are measured at amortised cost. Fixed interest-bearing securities assigned to non-current assets are reported in the balance sheet at the repayment amount. Premiums and discounts which have not yet been amortised are reported as accrued items. Only those debt instruments which are kept until maturity are recorded as non-current assets.

Precious metals held as current assets are valued at the market value on the balance sheet date. Precious metals held as non-current assets are reported at cost minus necessary value adjustments.

### Shares in affiliated companies and participations

Shares in affiliated companies and participations are valued at cost, taking into account necessary value adjustments. Shares in infrastructure companies are also reported in the balance sheet under participations. These items account for a negligible portion of capital and voting shares. Subordinated loans to affiliated companies are reported at the nominal value.

### Intangible assets/tangible assets

Intangible assets are depreciated over the useful life (generally five to ten years). Properties for the bank's own use are valued at cost, including any appreciating investments, less depreciation over a fixed useful life (generally 50 years). Any leasehold improvements are depreciated over the term of the rental agreement.

Other tangible assets such as machinery, furniture and vehicles are depreciated over their useful life (normally three to five years).

### Derivatives

The positive and negative replacement values of all derivative financial instruments are reported under the positions other assets or other liabilities. The positive and negative replacement values are reported in the balance sheet as gross figures and valued at fair value. If positions in the interest rate business are hedged using derivatives, the difference between the fair value and the accrual method is recognised in the adjustment account. If securities that have been valued according to the lower of cost or market value principle are hedged, the valuation gain on the hedging transactions is recognised in the same income statement item as the loss on the hedged securities. If the effect of the hedging transactions exceeds the effect of the hedged items, the excess portion is treated as equivalent to a trading position. The corresponding income is allocated to "Income from financial transactions, of which from trading". Gains on securities valued according to the lower of cost or market principle may not be recognised in the income statement, with the exception of impairment reversals. Losses on hedging transactions are also not recognised in the income statement, but are recorded in the compensation account.

### Repurchase and reverse repurchase transactions (repo transactions)

Repo transactions are used to refinance and fund money market transactions. They are entered in the balance sheet as advances against collateral respectively as cash contributions with pledging of securities held on own account. Securities provided to serve as cover thus continue to be posted in the corresponding balance sheet positions. Securities received to serve as collateral are not reported in the balance sheet. Interest resulting from the transactions is posted as net interest income.

### Securities lending and borrowing transactions

Securities lending is recorded as the value of cash deposits which have been received or made, including interest accrued.

Securities which have been borrowed or accepted as collateral are only recorded in the balance sheet if the bank gains control of the contractual rights contained in these securities. Securities lent or provided as collateral are only removed from the balance sheet if the bank loses the contractual rights associated with these securities. The market values of the securities which have been either borrowed or lent are monitored daily so that additional collateral can be provided or requested where necessary.



Fees arising from securities lending and repurchase transactions which have been received or paid are reported as interest income and interest expense.

### Amounts due to banks and clients

Amounts due to banks and clients are reported in the balance sheet at nominal value.

### Securitised liabilities

Securitised liabilities in the form of certificates and medium-term notes are reported in the balance sheet at repayment amount. Bonds are reported at amortised cost using the effective interest method.

### Other liabilities

Derivatives are reported at their fair value. The other items (settlement accounts, coupons, etc.) are reported at their nominal value or the value of the repayment amount.

### Subordinated debt

Securitised subordinated debt is entered in the balance sheet at the value of the repayment amount. Non-securitised subordinated debt is reported at the nominal value.

### Value adjustments and provisions

In accordance with prudent accounting practice, specific value adjustments and provisions are made for all identifiable risks. To cover latent default risks, which can exist in a loan portfolio, portfolio value provisions are also made using a systematic approach. Value adjustments are offset directly against the corresponding asset position. Provisions are formed for uncertain liabilities and for impending losses which are probable or certain at the balance sheet reporting date, but whose level or date of occurrence is uncertain. Provisions are reported as provisions in the balance sheet.

### Taxes

Taxes accruing to the result for the period under review are recorded as expenses in the accounting period in which the corresponding profit occurred.

### Risk management

The risk policy complies with internal requirements and guidelines, Liechtenstein Banking Law, the guidelines of the European Banking Authority and the principles of the Basel Committee on Banking Supervision.

The Board of Directors has overall responsibility for implementing the risk policy. While the tasks associated with risk management are assigned to the operating units, the Executive Board is responsible for overall risk control. The independent Risk Controlling department monitors compliance with the relevant regulations.

### Market risks

Due to the nature of its business, the bank is mainly exposed to interest rate, credit spread and foreign currency risks. The Trading Committee is responsible for monitoring and managing risks arising from trading activities, while responsibility for monitoring and managing risks arising from the balance sheet structure lies with the Asset and Liability Committee. Risk exposure is limited through volume and sensitivity analyses, as well as value-at-risk and loss limits, which are approved by the Executive Board. Aggregate risks are regularly analysed and simulations of worst-case scenarios are routinely simulated.

### Credit risks

Lending activities are primarily performed in the interbank market or in the private client business and normally consist of covered loans. The bank has a conservative lending policy and the same guidelines are applied for both cash lending and credit commitments. The bank also counteracts the creation of concentration and country risk by strictly limiting default risk. It uses an internal rating procedure as a tool for efficient risk management and for the risk-adjusted calculation of terms and conditions. The Executive Board is regularly informed of risk-related developments through detailed reports.

### Operational risks

Operational risk is defined as the risk of loss resulting from inadequate or insufficient internal processes, people and systems, or from external events. LGT Bank Ltd. has established a Group-wide committee which supports the Executive Board in identifying these risks early on and in implementing appropriate measures.

### Derivative financial instruments

Interest rate and currency swaps are regularly used to manage the bank's own risk positions. In addition to the aforementioned instruments, foreign currency and precious metals options are also used in the client business.





# Details on the balance sheet

1 Overview of collateral (CHF thousands)		Mortgage-backed	Other collateral	Without collateral	Total
<b>Advances</b>					
Due from clients (excl. mortgage loans)		58 480	7 598 365	3 915 270	11 572 115
Mortgage loans		3 087 930	0	0	3 087 930
Residential properties		2 632 734	0	0	2 632 734
Office and business premises		242 601	0	0	242 601
Commercial and industrial premises		84 601	0	0	84 601
Other		127 994	0	0	127 994
<b>Total</b>	<b>31.12.2023</b>	<b>3 146 410</b>	<b>7 598 365</b>	<b>3 915 270</b>	<b>14 660 045</b>
	31.12.2022	3 292 996	9 380 627	3 743 720	16 417 343

## Off-balance sheet transactions

Contingent liabilities		888	243 143	10 868 567	11 112 598
Irrevocable commitments		26 558	118 016	417 515	562 088
Commitments to subscribe additional contributions for shares or other equity securities		51	813 430	1 118 773	1 932 254
<b>Total</b>	<b>31.12.2023</b>	<b>27 496</b>	<b>1 174 589</b>	<b>12 404 855</b>	<b>13 606 940</b>
	31.12.2022	30 862	1 286 417	11 875 800	13 193 079

## Impaired due amounts (CHF thousands)

	Gross amount due	Estimated realization value of collateral	Net amount due	Specific value adjustments
<b>31.12.2023</b>	<b>36 145</b>	<b>24 545</b>	<b>11 600</b>	<b>11 600</b>
31.12.2022	24 197	14 296	9 900	9 900

2 Trading positions (CHF thousands)	Book value		Cost		Market value	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Trading positions comprising securities and precious metals</b>						
Debt instruments	1 663 361	1 260 916	1 762 739	1 358 563	1 663 361	1 260 916
listed (traded on a recognized exchange)	911 867	833 871	966 415	902 067	911 867	833 871
unlisted	751 495	427 044	796 324	456 496	751 495	427 044
of which own bonds and medium-term notes	11 684	13 987	12 139	15 367	11 684	13 987
Equity paper	701	772	767	777	701	772
Precious metals	865 015	999 993	869 303	1 000 056	865 015	999 993
<b>Total</b>	<b>2 529 077</b>	<b>2 261 680</b>	<b>2 632 809</b>	<b>2 359 396</b>	<b>2 529 077</b>	<b>2 261 680</b>
of which central bank-eligible securities (eligible for repo transactions)	4 421	0	4 389	0	4 421	0

3	Securities and precious metals held as current assets (excl. trading positions) (CHF thousands)	Book value		Cost		Market value	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Debt instruments	7 910 719	9 230 580	8 311 726	9 453 471	7 920 715	9 231 037
	Equity paper	0	37 016	0	39 592	0	37 016
	Precious metals	0	0	0	0	0	0
	<b>Total</b>	<b>7 910 719</b>	<b>9 267 596</b>	<b>8 311 726</b>	<b>9 493 063</b>	<b>7 920 715</b>	<b>9 268 054</b>
	of which eligible as security for central bank borrowings	5 768 014	6 942 661	5 959 652	7 070 746	5 771 886	6 942 686

4	Securities and precious metals held as non-current assets (CHF thousands)	Book value		Cost		Market value	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Debt instruments	0	0	0	0	0	0
	Equity paper	0	0	0	0	0	0
	Precious metals	405	400	781	781	513	498
	<b>Total</b>	<b>405</b>	<b>400</b>	<b>781</b>	<b>781</b>	<b>513</b>	<b>498</b>
	of which eligible as security for central bank borrowings	0	0	0	0	0	0

5	Participations and shares in affiliated companies (CHF thousands)	31.12.2023	31.12.2022
		<b>Participations</b>	
	with market value	0	0
	without market value	295	295
	<b>Total</b>	<b>295</b>	<b>295</b>
	<b>Shares in affiliated companies</b>		
	with market value	0	0
	without market value	11 783	4 655
	Subordinated claims against affiliated companies	0	0
	<b>Total</b>	<b>11 783</b>	<b>4 655</b>

6	Affiliated companies	Business activity	Share capital	% share of votes	% share of capital	Business result CHF thousands
	<b>Banks and investment firms</b>					
	LGT Bank (Cayman) Ltd., Georgetown	Bank	USD 600 000	100	83	1
	<b>Other</b>					
	LGT PB Fund Solutions AG, Vaduz	Asset management	CHF 1 000 000	100	100	12 635
	LGT Fund Management Company Ltd., Vaduz	Asset management	CHF 3 000 000	100	100	7 225
	LGT Investment Management GmbH, Vienna	Asset management	EUR 3 000 000	100	100	5 326
	LGT Investment Management (Asia) Ltd., Hong Kong	Asset management	HKD 24 000 000	100	100	10 011

At 31 December 2023, the shares reported under the shares in affiliated companies item amounted to CHF 11.8 million (2022: CHF 4.7 million).

LGT Investment Management GmbH was founded in 2023, and LGT Investment Management (Asia) Ltd. was acquired in 2023.

The capital of LGT Bank (Cayman) Ltd. is divided into 500 000 ordinary shares and 100 000 participating shares. Both categories of share have a par value of USD 1 per share.

The participation comprises 100% of the ordinary shares, which have a preferential dividend.

## 7 Participations

The companies listed under participations serve only as infrastructure and account for a negligible portion of capital and voting shares. No shares in banks or investment firms are included under participations.

8 Statement of changes in non-current assets (CHF thousands)	Cost	Accumulated depreciation/ write-ups	Book value 31.12.2022
Total participations (minority holdings)	295	0	295
Total shares in affiliated companies	4 655	0	4 655
Total securities and precious metals held as non-current assets	781	-381	400
Total intangible assets	257 568	-104 228	153 340
Properties			
Bank premises	229 321	-160 146	69 175
Other properties	9 616	-9 616	0
Other tangible assets	11 012	-8 916	2 097
Total tangible assets	249 950	-178 678	71 271
Fire insurance value of properties			228 620
Fire insurance value of other tangible assets			9 733
Real estate intended for sale (not included in the statement of changes in non-current assets)			0

No reclassifications were undertaken in 2023. The amounts in the "Reclassifications" column are attributable to currency differences.

## 9 Intangible assets

At 31 December 2023, this item included capitalised software licences amounting to CHF 0.017 million (31.12.2022: CHF 0.003 million). At 31 December 2023, this item also included goodwill and other acquired intangible assets amounting to CHF 118.4 million (31.12.2022: CHF 153.3 million). These are depreciated over a ten-year period.

10 Pledged or assigned assets and assets subject to reservation of ownership (CHF thousands)	31.12.2023	31.12.2022
<b>Pledged or assigned assets and assets subject to reservation of ownership, without securities lending or repurchase transactions</b>		
Book value of pledged or assigned (assigned as collateral) assets	555 824	376 548
Actual liabilities	221 610	92 903
There are no assets subject to reservation of ownership.		
<b>Securities lending and repurchase transactions</b>		
Receivables from cash deposits in connection with securities borrowing and reverse repurchase transactions	13 198 170	12 875 840
Liabilities from cash deposits in connection with securities lending and repurchase transactions	0	190 824
Own securities lent or provided as collateral within the scope of securities lending, borrowing transactions and transferred from repurchase transactions	0	193 933
of which capable of being resold or pledged without restrictions	0	193 933
Securities borrowed or accepted as collateral within the scope of securities lending, borrowing transactions and reverse repurchase agreements which are capable of being resold or further pledged without restrictions	13 348 028	12 928 435
of which resold or further pledged securities	0	0

Investments	Disinvestments	Reclassifications	Write-ups	Depreciation	Book value 31.12.2023
0	0	0	0	0	295
7 128	0	0	0	0	11 783
0	0	0	4	0	405
18	0	-9 845	0	-25 087	118 426
8 604	-2 218	-122	2 218	-5 746	71 911
0	0	0	0	0	0
514	-26	-110	25	-1 002	1 498
9 119	-2 244	-231	2 243	-6 748	73 409
					211 805
					13 396
					0

11 Liabilities in respect of own pension funds (CHF thousands)	31.12.2023	31.12.2022
<b>Total liabilities</b>	<b>23 581</b>	<b>35 461</b>

12 Outstanding bonds at 31.12.2023	Interest rate %	Year of issue	Earliest redemption date	Currency	CHF thousands
LGT GIM Index Certificates II	0.0	ongoing	30.06.2024	EUR	97 034
LGT GIM Index Certificates II/2	0.0	ongoing	31.03.2026	EUR	18 565
LGT GIM Index Certificates III	0.0	ongoing	31.07.2026	EUR	58 327
0.625% bond LGT Bank Ltd. 2015 – 25.11.2025	0.625	2015	25.11.2025	CHF	300 191
0.2% bond LGT Bank Ltd. 2016 – 12.10.2026	0.2	2016	12.10.2026	CHF	349 983
0.5% bond LGT Bank Ltd. 2017 – 12.05.2027	0.5	2017	12.05.2027	CHF	275 592
0.375% bond LGT Bank Ltd. 2019 – 5.7.2028	0.375	2019	05.07.2028	CHF	149 805
0.375% bond LGT Bank Ltd. 2019 – 15.11.2029	0.375	2019	15.11.2029	CHF	159 902
0.2% bond LGT Bank Ltd. 2020 – 4.11.2030	0.2	2020	04.11.2030	CHF	224 570
0.45% bond LGT Bank Ltd. 2021 – 29.07.2031	0.45	2021	29.07.2031	CHF	200 218
2.75% bond LGT Bank Ltd. 2022 – 29.09.2032	2.75	2022	29.09.2032	CHF	199 725
2.5% bond LGT Bank Ltd. 2023 – 28.02.2033	2.50	2023	28.02.2033	CHF	249 806

For product explanations see note 47 on page 42.



13 Value adjustments and provisions (CHF thousands)	Status 31.12.2022	Application	Recoveries, overdue interest, currency differences	New allocations out of P/L account	Releases to P/L account	Status 31.12.2023
Value adjustments for default risks						
Specific value adjustments	9 900	-27	547	1 222	-43	11 600
Portfolio value adjustments	12 177	0	-333	11 350	-10 231	12 963
Provisions for contingent liabilities and credit risks						
Provisions for other business risks	4 147	0	-17	796	-95	4 831
Provisions for taxes and deferred taxes	3 169	-160	-756	16 757	-299	18 711
Other provisions	16 509	-16 905	-77	32 832	0	32 358
Other provisions	3 923	-637	-131	148	0	3 303
<b>Total value adjustments and provisions</b>	<b>49 826</b>	<b>-17 729</b>	<b>-768</b>	<b>63 105</b>	<b>-10 668</b>	<b>83 767</b>
less:						
Value adjustments	-22 077					-24 563
<b>Total provisions as per the balance sheet</b>	<b>27 749</b>					<b>59 205</b>

See also note 37 and 26.

The change in the value adjustments was recorded gross in the income statement via expenses from new formations or income from reversals.

14 Share capital (CHF thousands)	Total nominal value	Number of shares	31.12.2023 Capital entitled to a dividend	Total nominal value	Number of shares	31.12.2022 Capital entitled to a dividend
Share capital	291 201	2 912 008	291 201	291 201	2 912 008	291 201
<b>Total</b>	<b>291 201</b>	<b>2 912 008</b>	<b>291 201</b>	<b>291 201</b>	<b>2 912 008</b>	<b>291 201</b>

No authorised capital or contingent capital exists.

Major shareholders and groups of shareholders linked by voting rights	Nominal	31.12.2023 %	Nominal	31.12.2022 %
With voting rights: LGT Group Holding Ltd.	291 201	100.0	291 201	100.0

LGT Group Holding Ltd. is a 100% subsidiary of LGT Group Foundation. The sole beneficiary of LGT Group Foundation is the Prince of Liechtenstein Foundation (POLF) and, in turn, the sole beneficiary of the POLF is the Reigning Prince of Liechtenstein, H.S.H. Prince Hans-Adam II.



15 Equity statement (CHF thousands)

<b>Equity capital at the start of the business year</b>	
Share capital paid in	291 201
Capital reserves	0
Legal reserves	218 500
Reserves for own shares	0
Statutory reserves	0
Other reserves	1 406 000
Accumulated profit for the year	1 372 404
<b>Total equity capital at the start of the business year (prior to profit distribution)</b>	<b>3 288 105</b>
+/- capital increase/capital reduction	0
+ premium	0
- Release of provisions for general banking risks	0
- dividend from the previous year's profit	-70 616
+ annual profit for the business year	258 221
<b>Total equity capital at the end of the business year (prior to profit distribution)</b>	<b>3 475 710</b>
of which:	
Share capital paid in	291 201
Capital reserves	0
Legal reserves	218 500
Reserves for own shares	0
Statutory reserves	0
Other reserves	1 406 000
Accumulated profit for the year	1 560 008

16 Maturity structure of assets, liabilities and provisions (CHF thousands) On demand Redeemable

**Assets**

Cash and cash equivalents		2 995 610	0
Due from banks		1 623 629	0
Due from clients		112 236	784 215
of which mortgage loans		6 353	35 764
Trading positions comprising securities and precious metals		2 529 077	0
Debt instruments and precious metals held as current assets (excl. trading positions)		3 666 808	0
of which debt instruments of public authorities and bills eligible for refinancing at central banks		0	0
Securities and precious metals held as non-current assets		405	0
Other assets		203 772	63 500
<b>Total assets</b>	<b>31.12.2023</b>	<b>11 131 538</b>	<b>847 715</b>
	31.12.2022	10 739 948	836 025

**Liabilities and provisions**

Due to banks		5 572 353	6 868 404
Due to clients		6 016 715	8 884 436
Savings accounts		0	454 759
Other liabilities to clients		6 016 715	8 429 676
Securitized liabilities		0	0
Issued bonds		0	0
of which medium-term notes		0	0
Other securitized liabilities		0	0
Provisions (excl. provisions for general banking risks)		59 204	0
Other liabilities		709 312	64 937
<b>Total liabilities and provisions</b>	<b>31.12.2023</b>	<b>12 357 584</b>	<b>15 817 777</b>
	31.12.2022	16 320 499	13 241 960

Of the securities reported in the balance sheet under bonds and other fixed interest-bearing securities, instruments amounting to CHF 993.9 million will become due in 2024 (2023: CHF 1350.8 million). Issued bonds due in 2024 amount to CHF 102.7 million (2023: CHF 306.6 million).

Due within 3 months	Due between 3 to 12 months	Due between 12 months to 5 years	Due after 5 years	Immobilized	Total
0	0	0	0	0	2 995 610
11 907 200	2 652 048	636 363	239 681	0	17 058 921
11 944 922	917 559	651 557	249 556	0	14 660 045
2 046 949	213 214	549 364	236 286	0	3 087 930
0	0	0	0	0	2 529 077
3 746 952	496 959	0	0	0	7 910 719
3 746 952	496 959	0	0	0	4 243 911
0	0	0	0	0	405
966 368	260 884	184 622	31 251	73 409	1 783 806
<b>28 565 443</b>	<b>4 327 450</b>	<b>1 472 541</b>	<b>520 488</b>	<b>73 409</b>	<b>46 938 584</b>
33 229 262	2 576 728	1 492 213	643 180	71 271	49 588 628
3 369 940	1 180 110	318 415	128 300	0	17 437 522
5 086 060	1 296 105	31 113	218	0	21 314 646
0	0	0	0	0	454 759
5 086 060	1 296 105	31 113	218	0	20 859 887
384	102 305	1 184 707	1 037 066	0	2 324 462
384	102 305	1 184 707	1 037 066	0	2 324 462
384	5 271	32 245	2 846	0	40 746
0	0	0	0	0	0
0	0	0	0	0	59 204
1 135 427	264 116	119 769	33 480	0	2 327 041
<b>9 591 810</b>	<b>2 842 636</b>	<b>1 654 004</b>	<b>1 199 064</b>	<b>–</b>	<b>43 462 875</b>
11 355 225	2 522 087	1 665 540	1 195 212	–	46 300 524

17 Transactions with closely associated persons (CHF thousands)	31.12.2023	31.12.2022
<b>Claims on affiliated companies</b>		
Due from banks	1 398 217	1 357 403
Due from clients	5 707 584	5 987 865
of which due from qualified participants	4 723 402	5 136 289
<b>Total</b>	<b>7 105 801</b>	<b>7 345 268</b>
<b>Liabilities to affiliated companies</b>		
Due to banks	13 623 138	14 061 238
Due to clients	871 815	915 486
of which due to qualified participants	19 977	59 556
Securitized liabilities	0	0
<b>Total</b>	<b>14 494 953</b>	<b>14 976 724</b>
<b>Loans to governing bodies</b>		
Members of the Board of Directors	1 998	500
Members of the Executive Board	9 048	8 273
Members of the governing bodies of the parent company	1 774	3 123
<b>Total</b>	<b>12 820</b>	<b>11 896</b>
<b>Claims and liabilities to Prince of Liechtenstein Foundation (qualified participant)</b>		
Due from clients	2 298	2 508
Due to clients	22 283	7 674

#### Significant transactions

Transactions with closely associated persons such as securities transactions, payment transactions, lending facilities and interest on deposits were made under the same terms and conditions as applicable to third parties.

Counterparty	Type(s) of transaction	2023	2022
<b>LGT Group Holding Ltd., Vaduz</b>			
Interest earned	Debit interest	28 992	6 027
Other ordinary income	Income from real estate	2 170	1 756
Operating expenses	Services for accounting/controlling, internal audit, compliance, HR, marketing, risk controlling, legal & tax, property insurance, management services, logo fee	113 482	102 801
<b>LGT Group Foundation, Vaduz</b>			
Interest earned	Debit interest	67 095	15 126
Commission income	Guarantees	593	112
Operating expenses	Marketing	79	110
Contingent liabilities	Guarantees	–	61 046
<b>LGT Bank (Switzerland) Ltd., Basel</b>			
Interest earned	Debit interest, negative debit interest	17 235	5 704
Interest paid	Credit interest, negative credit interest	399 254	120 986
Commission income	Brokerage fees, custody fees	19 499	17 051
Commission paid	Client advisory services, investment management	5 445	5 750

Counterparty	Type(s) of transaction	2023	2022
Other ordinary income	Loan administration, management services, investment services, trading administration	11 731	10 129
Personnel expenses	Staff interchange	512	726
Operating expenses	Income from real estate, services for IT, marketing, investment services, consulting services	13 333	10 572
Contingent liabilities	Guarantees	129 987	134
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	467 982	358 655
<b>LGT Bank (Singapore) Ltd., Singapore</b>			
Interest earned	Debit interest, negative debit interest	574	1 368
Interest paid	Credit interest, negative credit interest	141 840	23 197
Commission income	Brokerage fees, custody fees	92 880	92 387
Commission paid	Client advisory services, investment management	6 068	8 162
Other ordinary income	Loan administration, management services, investment services, client administration services	21 201	17 459
Operating expenses	Trading administration, investment services, front-support-services, IT	29 116	27 724
Contingent liabilities	Guarantees	10 037 526	10 102 265
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	472 261	435 238
<b>LGT Capital Partners (FL) Ltd., Vaduz</b>			
Commission income	Distribution fees	45 271	81 808
<b>LGT Capital Partners Ltd., Pfäffikon</b>			
Interest paid	Credit interest	576	-1 610
Commission paid	Portfolio management	756	1 047
<b>LGT Capital Partners (Ireland) Ltd., Dublin</b>			
Interest paid	Credit interest	2 068	170
Commission income	Distribution fees, operation fees	5 722	7 647
Other ordinary income	Income from real estate, services for IT, legal, accounting, facility	525	571
<b>LGT Capital Partners (Asia-Pacific) Ltd., Hong Kong</b>			
Other ordinary income	Income from real estate, services for accounting, facility, IT, HR	1 575	2 161
<b>LGT investment management companies</b>			
Interest earned	Debit interest	1 412	1 657
Commission income	Distribution fees, custody fees	9 965	8 818
Other ordinary income	Income from real estate, services for IT, facility, accounting, HR, legal, other	582	3 448
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	960	-

Counterparty	Type(s) of transaction	2023	2022
<b>LGT (Middle East) Ltd., Dubai</b>			
Interest paid	Credit interest	1 088	-1
Commission paid	Client advisory services	2 379	2 902
<b>LGT Financial Services Ltd., Vaduz</b>			
Other ordinary income	Income from real estate, services for IT	6 825	3 719
Operating expenses	Facility management, property management, services for IT, payment transactions, securities administration	154 018	129 455
<b>LGT Global Invest Ltd., Georgetown</b>			
Interest earned	Debit interest	2 344	357
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	4 039	2 936
<b>LGT Investment Management (Asia) Ltd., Hong Kong</b>			
Other ordinary income	Dividends, management services, investment services, accounting, compliance, staff expenses, IT	11 497	1 976
Personnel expenses	Staff interchange	1 413	1 992
Contingent liabilities	Guarantees	2 522	2 773
<b>LGT Certificates Ltd., Cayman</b>			
Commission income	Distribution fees	2 550	2 800
<b>LGT Wealth Management UK LLP, London</b>			
Interest paid	Credit interest	517	-
Operating expenses	Investment Services	633	816
<b>LGT UK Holdings Ltd., London</b>			
Interest earned	Debit interest	4 532	999
Contingent liabilities	Guarantees	462 000	109 945
<b>LGT Securities (Thailand) Ltd., Bangkok</b>			
Other ordinary income	Management services, investment services, services for IT, HR, product control	1 453	1 313
<b>LGT Holding (Australia) Pty. Ltd., Sydney</b>			
Interest earned	Debit interest	3 809	2 216
Commission income	Lending business	595	684
Contingent liabilities	Guarantees	224 361	245 244
Credit risks	Irrevocable commitments	-	38 152
<b>Crestone Wealth Management Ltd., Sydney</b>			
Interest earned	Debit interest	10 015	1 098
<b>LGT Wealth Management Trust Inc., Tokyo</b>			
Other ordinary income	Income from staff interchange, investment and management services, client administration services, security, audit	1 828	1 480

Counterparty	Type(s) of transaction	2023	2022
<b>LGT Investments Management GmbH, Vienna</b>			
Commission income	Distribution fees	1 657	–
Commission paid	Portfolio management services	1 959	–
Other ordinary income	Dividends	7 238	–
<b>LGT PB Fund Solutions AG, Vaduz</b>			
Commission income	Distribution fees	3 924	–
Other ordinary income	Dividends	10 834	–

18 Breakdown of balance sheet according to domicile (CHF thousands)	31.12.2023		31.12.2022	
	Domestic	Abroad	Domestic	Abroad
<b>Assets</b>				
Cash and cash equivalents	2 952 613	42 998	2 854 488	94 538
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	3 492 291	751 620	5 493 720	58 472
Due from banks	12 313 997	4 744 924	13 169 135	3 497 139
Due from clients (excl. mortgage loans)	5 946 531	5 625 584	6 402 047	6 892 844
Mortgage loans	2 294 342	793 588	2 307 077	815 375
Money market securities – other issuers	0	9 596	0	0
Bonds and other fixed interest-bearing securities	264 116	5 056 458	304 933	4 634 370
Equities and other non-fixed interest securities	0	701	772	37 016
Participations	66	229	66	229
Shares in affiliated companies	4 000	7 783	4 000	655
Intangible assets	0	118 426	0	153 340
Tangible assets	69 415	3 994	66 669	4 602
Other assets	737 756	1 540 926	772 129	1 945 444
Accrued income and prepaid expenses	36 902	129 730	23 666	55 902
<b>Total assets</b>	<b>28 112 030</b>	<b>18 826 554</b>	<b>31 398 701</b>	<b>18 189 927</b>
<b>Liabilities</b>				
Due to banks	12 365 653	5 071 868	13 499 224	5 082 057
Due to clients (excl. savings accounts)	7 344 728	13 515 159	7 891 889	14 583 795
Savings accounts	356 656	98 103	473 801	148 772
Securitized liabilities	2 324 462	0	2 391 387	0
Other liabilities	1 031 151	1 071 996	958 963	1 075 988
Accrued expenses and deferred income	92 892	131 001	71 710	95 189
Provisions	51 193	8 011	20 802	6 947
Share capital	291 201	0	291 201	0
Legal reserves	218 500	0	218 500	0
Other reserves	1 406 000	0	1 406 000	0
Profit carried forward	1 301 787	0	1 238 345	0
Profit for the year	242 593	15 627	132 322	1 737
<b>Total liabilities</b>	<b>27 026 818</b>	<b>19 911 766</b>	<b>28 594 143</b>	<b>20 994 485</b>

Balance sheet items are broken down according to client domicile, mortgage loans are broken down according to the location of the property. Domestic comprises Liechtenstein and Switzerland.

19 Breakdown of assets according to country/country group	31.12.2023		31.12.2022	
	TCHF	%	TCHF	%
<b>Country</b>				
Liechtenstein	7 368 098	15.7	7 873 933	15.9
Switzerland	20 743 932	44.2	23 524 768	47.4
Europe excl. Liechtenstein/Switzerland	11 162 740	23.8	10 898 984	22.0
North America	2 196 630	4.7	1 318 858	2.7
Caribbean	1 295 985	2.8	1 724 657	3.5
Latin America	67 592	0.1	65 402	0.1
Africa	22 519	0.0	82 877	0.2
Asia	2 969 609	6.3	3 221 342	6.5
Oceania	1 111 480	2.4	877 808	1.8
<b>Total assets</b>	<b>46 938 584</b>	<b>100.0</b>	<b>49 588 628</b>	<b>100.0</b>



20 Breakdown of balance sheet according to currencies (CHF thousands)	CHF	EUR	USD	Other	31.12.2023 Total
<b>Assets</b>					
Cash and cash equivalents	2 948 851	35 988	323	10 448	2 995 610
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	3 492 291	0	714 122	37 498	4 243 911
Due from banks	11 734 229	3 565 317	1 089 057	670 318	17 058 921
Due from clients (excl. mortgage loans)	6 266 532	2 163 261	1 497 546	1 644 775	11 572 115
Mortgage loans	2 326 722	367 392	10 537	383 280	3 087 930
Bonds and other fixed interest-bearing securities	335 364	342 498	3 645 940	1 006 368	5 330 169
Equities and other non-fixed interest securities	0	0	701	0	701
Participations	295	0	0	0	295
Shares in affiliated companies	4 655	2 789	0	4 339	11 783
Intangible assets	0	70 198	0	48 228	118 426
Tangible assets	69 415	3 387	0	607	73 409
Other assets	1 341 582	10 954	1 092	925 053	2 278 681
Accrued income and prepaid expenses	39 560	66 793	40 715	19 564	166 632
<b>Total assets</b>	<b>28 559 496</b>	<b>6 628 575</b>	<b>7 000 034</b>	<b>4 750 478</b>	<b>46 938 584</b>
Delivery claims from forex spot, forex futures and forex options transactions	15 277 051	14 423 678	47 772 104	17 640 829	95 113 663
<b>Total assets</b>	<b>43 836 547</b>	<b>21 052 254</b>	<b>54 772 138</b>	<b>22 391 307</b>	<b>142 052 247</b>
<b>Liabilities</b>					
Due to banks	2 916 201	3 047 862	9 647 283	1 826 176	17 437 522
Due to clients (excl. savings accounts)	4 282 252	5 453 845	8 472 431	2 651 359	20 859 888
Savings accounts	413 282	12 978	28 500	0	454 759
Securitized liabilities	2 146 116	178 347	0	0	2 324 462
Other liabilities	2 032 233	20 208	18 460	32 246	2 103 147
Accrued expenses and deferred income	50 985	22 610	116 135	34 163	223 893
Provisions	37 783	2 355	17 812	1 255	59 204
Share capital	291 201	0	0	0	291 201
Legal reserves	218 500	0	0	0	218 500
Other reserves	1 406 000	0	0	0	1 406 000
Profit carried forward	1 301 787	0	0	0	1 301 787
Profit for the year	242 593	16 647	0	-1 019	258 221
<b>Total liabilities</b>	<b>15 338 932</b>	<b>8 754 850</b>	<b>18 300 621</b>	<b>4 544 180</b>	<b>46 938 584</b>
Delivery liabilities from forex spot, forex futures and forex options transactions	29 078 130	12 314 839	36 517 876	17 922 448	95 833 293
<b>Total liabilities</b>	<b>44 417 062</b>	<b>21 069 689</b>	<b>54 818 497</b>	<b>22 466 628</b>	<b>142 771 877</b>
<b>Net position per currency</b>	<b>-580 515</b>	<b>-17 435</b>	<b>-46 359</b>	<b>-75 321</b>	<b>-719 630</b>

Breakdown of balance sheet according to currencies (CHF thousands)	CHF	EUR	USD	Other	31.12.2022 Total
<b>Assets</b>					
Cash and cash equivalents	2 850 206	50 245	402	48 173	2 949 026
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	5 493 720	0	0	58 472	5 552 192
Due from banks	11 589 489	2 916 020	1 856 051	304 714	16 666 274
Due from clients (excl. mortgage loans)	6 454 809	2 874 918	2 169 367	1 795 797	13 294 891
Mortgage loans	2 321 524	399 273	22 302	379 353	3 122 452
Bonds and other fixed interest-bearing securities	314 984	443 887	3 358 642	821 790	4 939 303
Equities and other non-fixed interest securities	0	0	37 788	0	37 788
Participations	295	0	0	0	295
Shares in affiliated companies	4 655	0	0	0	4 655
Intangible assets	0	84 344	0	68 996	153 340
Tangible assets	66 669	2 964	0	1 638	71 271
Other assets	1 625 560	10 602	1 125	1 080 287	2 717 574
Accrued income and prepaid expenses	24 492	12 091	28 481	14 504	79 568
<b>Total assets</b>	<b>30 746 403</b>	<b>6 794 343</b>	<b>7 474 158</b>	<b>4 573 724</b>	<b>49 588 628</b>
Delivery claims from forex spot, forex futures and forex options transactions	18 424 376	16 531 862	53 841 664	20 747 401	109 545 303
<b>Total assets</b>	<b>49 170 779</b>	<b>23 326 206</b>	<b>61 315 821</b>	<b>25 321 125</b>	<b>159 133 931</b>
<b>Liabilities</b>					
Due to banks	3 608 819	3 483 669	9 444 656	2 044 137	18 581 281
Due to clients (excl. savings accounts)	4 593 665	5 107 101	9 724 580	3 050 337	22 475 684
Savings accounts	531 592	31 532	59 449	0	622 573
Securitized liabilities	2 200 759	190 628	0	0	2 391 387
Other liabilities	1 965 637	19 406	22 743	27 165	2 034 951
Accrued expenses and deferred income	48 748	13 525	80 547	24 079	166 899
Provisions	22 630	3 086	1 910	123	27 749
Share capital	291 201	0	0	0	291 201
Legal reserves	218 500	0	0	0	218 500
Other reserves	1 406 000	0	0	0	1 406 000
Profit carried forward	1 238 345	0	0	0	1 238 345
Profit for the year	132 322	9 697	0	-7 960	134 059
<b>Total liabilities</b>	<b>16 258 218</b>	<b>8 858 644</b>	<b>19 333 885</b>	<b>5 137 881</b>	<b>49 588 628</b>
Delivery liabilities from forex spot, forex futures and forex options transactions	33 073 322	14 486 762	42 161 745	20 183 047	109 904 876
<b>Total liabilities</b>	<b>49 331 540</b>	<b>23 345 405</b>	<b>61 495 630</b>	<b>25 320 928</b>	<b>159 493 504</b>
<b>Net position per currency</b>	<b>-160 761</b>	<b>-19 200</b>	<b>-179 809</b>	<b>197</b>	<b>-359 573</b>

21	<b>Subordinated assets (CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Balance sheet items</b>		
	Bonds and other fixed interest-bearing securities	20 928	0
	Shares in affiliated companies	0	0
	<b>Total</b>	<b>20 928</b>	<b>0</b>
22	<b>Debt instruments of public authorities and bills which are eligible for refinancing at central banks (CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	Debt instruments of public authorities	4 243 911	5 552 192
	<b>Total</b>	<b>4 243 911</b>	<b>5 552 192</b>
23	<b>Bonds and other fixed interest-bearing securities (CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	Money market paper	9 596	1 566
	of which from public sector issuers	0	0
	of which from other issuers	9 596	1 566
	Bonds	5 320 574	4 937 737
	of which from public sector issuers	591 128	495 138
	of which from other issuers	4 729 445	4 442 599
	of which own bonds	11 684	13 987
	<b>Total</b>	<b>5 330 169</b>	<b>4 939 303</b>
24	<b>Due to clients (CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	Savings accounts	454 759	622 573
	Other liabilities	20 859 887	22 475 684
	<b>Total</b>	<b>21 314 646</b>	<b>23 098 256</b>
25	<b>Securitized liabilities (CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	Issued bonds	2 324 462	2 391 387
	of which medium-term notes	40 746	45 404
	Other securitized liabilities	0	0
	<b>Total</b>	<b>2 324 462</b>	<b>2 391 387</b>
26	<b>Provisions (CHF thousands)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	Tax provisions	32 358	16 509
	Other provisions	26 846	11 239
	<b>Total</b>	<b>59 204</b>	<b>27 749</b>

## Details on the off-balance sheet transactions

27	Contingent liabilities (CHF thousands)	31.12.2023	31.12.2022
	Credit guarantees and similar instruments	1 001 617	611 582
	of which for affiliated companies	823 346	424 789
	Performance guarantees and similar instruments	10 108 169	10 177 086
	of which for affiliated companies	10 033 062	10 096 627
	Irrevocable commitments and other contingent liabilities	2 812	4 549
	of which for affiliated companies	0	0
	<b>Total</b>	<b>11 112 598</b>	<b>10 793 217</b>

### 28 Commitment credits

Liabilities from deferred payments are reported in the balance sheet. There were no acceptance or credit commitments at 31 December 2023 or 31 December 2022.

29	Fiduciary transactions (CHF thousands)	31.12.2023	31.12.2022
	Fiduciary investments at third-party banks	352 716	434 011
	Fiduciary investments at affiliated banks and investment firms	0	0
	Fiduciary loans and other financial transactions in a fiduciary capacity	180 717	136 134
	of which with affiliated companies	0	0
	<b>Total</b>	<b>533 433</b>	<b>570 145</b>

30 Open derivative financial instruments (CHF thousands)	Trading instruments			Hedging instruments		
	Positive replacement values	Negative replacement values	Contract volume	Positive replacement values	Negative replacement values	Contract volume
<b>Interest rate instruments</b>						
Forward contracts incl. FRAs	0	0	0	0	0	0
Swaps	22 329	22 076	1 533 680	172 694	20 602	4 040 236
Futures	0	0	0	0	0	0
Options (OTC)	1	1	2 821	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
<b>Forex/precious metals</b>						
Forward contracts	984 127	1 184 749	73 776 844	50 984	555 686	16 996 885
Swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	61 248	55 292	7 908 397	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
<b>Equity securities/indices</b>						
Forward contracts	0	0	0	0	0	0
Swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	62 369	62 369	2 348 362	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
<b>Total before consideration of netting contracts</b>						
<b>31.12.2023</b>	<b>1 130 073</b>	<b>1 324 486</b>	<b>85 570 105</b>	<b>223 677</b>	<b>576 288</b>	<b>21 037 121</b>
31.12.2022	1 413 362	1 452 872	97 453 597	271 884	354 251	22 634 872
<b>Total after consideration of netting contracts</b>				<b>Positive replacement values</b>	<b>Negative replacement values</b>	
<b>31.12.2023</b>				<b>433 051</b>	<b>980 075</b>	
31.12.2022				778 208	900 085	

# Details on the income statement

## 31 Offsetting of refinancing expenses with income from trading

The refinancing expenses arising from trading positions are not offset against income from trading activities.

32 Interest income from fixed interest securities (CHF thousands)	2023	2022
Interest income from bonds	117 561	56 247
Interest income from money market paper	79 050	7 849
<b>Total</b>	<b>196 611</b>	<b>64 096</b>

33 Negative interest (CHF thousands)	2023	2022
Negative interest on assets (reduction of interest income)	-522	-49 760
Negative interest on liabilities (reduction of interest expense)	208	22 370

34 Income from trading transactions (CHF thousands)	Reported in the P&L under	2023	2022
Interest income from fixed interest securities	Interest income	63 347	31 868
Interest income from credit derivatives	Interest income	0	0
Trading in foreign exchange and precious metals	Income from financial transactions	87 221	116 234
Securities trading	Income from financial transactions	40 912	-22 009
Structured products and other income	Income from financial transactions	30 162	23 469
<b>Total</b>		<b>221 641</b>	<b>149 562</b>

35 Personnel expenses (CHF thousands)	2023	2022
Wages and salaries	260 990	256 888
Social security contributions, pensions and social assistance	37 328	32 895
of which for pensions	16 045	13 648
Other personnel expenses	12 603	10 362
<b>Subtotal</b>	<b>310 922</b>	<b>300 145</b>
Adjustment of liability for Long-Term Incentive Scheme	23 299	4 982
<b>Total</b>	<b>334 220</b>	<b>305 127</b>
Emoluments to members of the Executive Board	4 457	3 301
Emoluments to members of the Board of Directors	100	50

36 Operating expenses (CHF thousands)	2023	2022
Occupancy expense	26 266	25 719
Expenses for IT, machinery, furniture, vehicles and other equipment	138 573	109 125
Other business expenses	239 246	217 323
<b>Total</b>	<b>404 085</b>	<b>352 167</b>

### 37 Losses, extraordinary items, provisions

The losses reported under the item "Other ordinary expenses" were incurred mainly in connection with lending business and settlements (see also note 44).

No extraordinary items were recorded in 2023 or 2022.

The item "Provisions" contains mainly tax provisions, provisions for projects, as well as provisions for other business risks (see also notes 13 and 26).

38 Income and expenses broken down according to office or branch (CHF thousands)	2023		2022	
	FL	Abroad	FL	Abroad
Interest earned	1 622 355	197 225	577 271	88 741
Interest paid	-1 080 957	-260 625	-327 117	-68 992
Current income from securities	11 809	15 891	938	0
Income from commission business and services	231 917	202 324	248 218	230 486
Commission paid	-51 749	-15 200	-55 228	-17 811
Income from financial transactions	99 115	55 800	60 473	47 114
Other ordinary income	22 101	37 495	37 685	25 972
Operating expenses	-376 888	-361 417	-328 025	-329 269
Other ordinary expenses	-18 621	-1 090	-1 715	-264

The breakdown is based on branch location.

39 Return on assets (net profit as a percentage of total assets)	2023	2022
Return on assets	0.55	0.27

# Additional information

40 Securities negotiable on the stock exchange (CHF thousands)	31.12.2023	31.12.2022
Bonds and other fixed interest-bearing securities	5 330 169	4 939 303
of which listed securities	4 255 010	4 285 217
of which listed and treated as current assets	4 255 010	4 285 217
of which listed and treated as non-current assets	0	0
of which unlisted securities	1 075 159	654 086
Equities and other non-fixed interest securities	701	37 788
of which listed securities	0	0
of which listed and treated as current assets	0	0
of which listed and treated as non-current assets	0	0
of which unlisted securities	701	37 788
Participations	295	295
of which listed securities	0	0
of which unlisted securities	295	295
Shares in affiliated companies	11 783	4 655
of which listed securities	0	0
of which unlisted securities	11 783	4 655

41 Other assets (CHF thousands)	31.12.2023	31.12.2022
Positive replacement values of derivatives	1 353 751	1 685 246
Due from tax authorities	6 965	15 797
Compensation account	18 572	0
Physical holdings of precious metals	865 420	1 000 393
Other assets	33 974	16 138
<b>Total</b>	<b>2 278 681</b>	<b>2 717 574</b>

42 Other liabilities (CHF thousands)	31.12.2023	31.12.2022
Negative replacement values of derivatives	1 900 775	1 807 123
Coupons	333	333
Long-Term Incentive Scheme liability	57 727	48 889
Liabilities personnel administration (excluding Long-Term Incentive Scheme)	2 037	3 263
Clearing accounts	68 163	68 555
Fees	874	802
Liabilities to tax authorities	14 649	12 293
Compensation account	58 589	93 693
<b>Total</b>	<b>2 103 147</b>	<b>2 034 951</b>



43 Other ordinary income (CHF thousands)	2023	2022
Compensation from Group companies	50 917	34 416
Income from real estate	6 033	5 546
Income from the release of provisions	333	42
Income unrelated to the period	0	15 396
Remaining other income	2 314	8 257
<b>Total</b>	<b>59 596</b>	<b>63 657</b>

Compensation from other Group companies accounted for a large component of other ordinary income in 2023. This item comprises compensation for services, performed centrally by the bank on behalf of the Group companies. Income from real estate contains the net amounts (rent payments less maintenance costs) from the rental of bank-owned property to third parties and Group companies.

Income unrelated to the period resulted from valuation gains on hedging transactions that were allocated to the compensation account shown in the previous year's balance sheet.

44 Other ordinary expenses (CHF thousands)	2023	2022
Losses from receivables and guarantees	95	58
Transaction losses	449	764
Creation of provisions for other business risks	16 757	419
Remaining other expenses	2 410	738
<b>Total</b>	<b>19 711</b>	<b>1 979</b>

See also note 37.

45 Breakdown of client assets (CHF thousands)	31.12.2023	31.12.2022
<b>Client assets</b>		
Client assets in own-managed funds (investment undertakings)	21 210 510	20 973 362
Client assets under management	21 047 448	19 569 100
Other client assets under administration	71 208 093	67 451 379
<b>Total client assets (including double counting)</b>	<b>113 466 051</b>	<b>107 993 841</b>
of which double counting	13 004 513	9 465 283

#### Method of calculation

Assets under administration are all client assets managed or held for investment purposes. In principle, this includes all client liabilities, fiduciary time deposits and all valued custody assets. They are stated in accordance with the applicable provisions of the Liechtenstein Banking Act.

#### Assets in own-managed funds

This item comprises the assets of the actively marketed investment funds of LGT.

#### Assets under management

The calculation of assets with a management mandate takes into account client deposits as well as the fair value of securities, loan-stock rights, precious metals and fiduciary investments placed with third-party institutions. The information covers both assets deposited with Group companies (includes a reclassification of assets from 2023 onwards) and assets deposited at third-party institutions for which a discretionary mandate is held.

#### Other assets under administration

The calculation of other assets under administration takes into account client deposits as well as the fair value of securities, loan-stock rights, precious metals and fiduciary investments placed with third-party institutions. The information covers assets for which an administrative (includes a reclassification of assets from 2023 onwards) or advisory mandate is exercised.

#### Double counting

This item covers investment fund units from own-managed funds as well as certain assets that are included in assets under management.

## 46 Foreign branch offices

	Business activity	Domicile	Gross operating income CHF thousands	Headcount	Profit for the year CHF thousands	Tax on earnings CHF thousands
<b>Branches</b>						
LGT Bank AG, Zweigniederlassung Österreich	Bank	Vienna	118 326	220	20 519	-736
LGT Bank Ltd., Hong Kong Branch	Bank	Hong Kong	13 320	439	-1 037	-3 029
LGT Bank Ltd., Dublin Branch	Bank	Dublin	4 897	11	958	-139
LGT Bank AG, Zweigniederlassung Deutschland	Bank	Munich	4 307	21	-4 830	0
LGT Bank AG, Zweigniederlassung UK, London	Bank	London	314	3	18	0

## 47 Outstanding bonds

**Product explanations for table 12 on page 23**

The LGT GIM Index Certificates (EUR) are issued in the form of no-par-value promissory notes. These each relate to one of the LGT Premium Strategy GIM (EUR) indices administered by index sponsor LGT Capital Partners Ltd. These indices reflect the performance of a global, diversified portfolio that invests in various asset classes, where exchange rate fluctuations of the components included in the index are largely hedged against the euro. Both traditional and alternative asset classes are included.

Both tranches of the Crown Absolute Return (EUR) Index Certificates are no-par-value. These each relate to one of the Crown Absolute Return (EUR) indices administered by index sponsor LGT Capital Partners Ltd. The two indices reflect the performance of a global, diversified portfolio that invests in alternative asset classes, where exchange rate fluctuations of the components included in the index are largely hedged against the euro.

## 48 Total fees charged by the auditor (CHF thousands)

The total fees charged by the auditor are published in the Annual Report of LGT Group. The LGT Group Annual Report can be downloaded from the internet at [www.lgt.com](http://www.lgt.com).



# Report of the statutory auditor



## Statutory auditor's report

to the General Meeting of LGT Bank Ltd.

Vaduz

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of LGT Bank Ltd. ('the Company'), which comprise the balance sheet as at 31 December 2023, the income statement and the cash flow statement for the year then ended and the notes, including a summary of significant accounting principles.

In our opinion, the financial statements (pages 8 to 42) give a true and fair view of the financial position of the Company and its financial performance for the year ended 31 December 2023 in accordance with Liechtenstein law.

#### Basis for opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach

##### Overview



Overall materiality: CHF 34.0 million

In order to perform audit procedures that are appropriate in the circumstances, we have structured the scope of the audit to enable us to express an opinion on the financial statements as a whole, taking into account the organisation, internal controls and processes relating to accounting and the industry in which the Company operates.

As key audit matters, the following areas of focus were identified:

- Impairment of due from clients
- Valuation of the provisions for other business risks

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### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall Materiality</b>	CHF 34.0 million
<b>Benchmark applied</b>	Equity
<b>Rationale for the materiality benchmark applied</b>	We chose equity as the benchmark because, in our view, it is the benchmark that best represents the solvency and stability of the Company and it is of major relevance for economic decisions made by the owners, customers and the supervisory body.

### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Impairment of due from clients

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### Key audit matter

We consider the audit of impairment of due from clients as a key audit matter because they represent the largest item on the balance sheet. Furthermore, the Board of Directors has significant scope to apply judgement when estimating the present value of future cash flows of due from clients.

As of 31 December 2023, the Company has CHF 14.7 billion of outstanding due from clients, of which 0.17% was assessed as impaired.

*Please refer to page 15 (Accounting policies) and note 13 on page 24.*

### How our audit addressed the key audit matter

We assessed the controls relating to the identification of impaired due from clients and tested their effectiveness. In particular, we tested the relevant IT-based controls.

Further, we tested a sample of due from clients with regard to the existence of an impairment event (the moment from which an individual impairment should be recorded). Where an individual impairment had been recorded, we checked whether the Company's forecasts of cash collections from the clients concerned were plausible and consistent with the individual impairment made. In doing so, we challenged the assumptions and compared them with independently obtained information.

We examined a sample of due from clients for which the Company had not identified an impairment event (by reference to the impairment criteria for due from clients as set out in the accounting principles on page 15). We applied our own judgement as to whether the Board of Directors' conclusions were appropriate.

Our audit did not give rise to any objections regarding the impairment of due from clients.

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## Valuation of the provisions for other business risks

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### Key audit matter

We consider the audit of valuation of the provisions for other business risks as a key audit matter because the Company operates in a regulatory and legal environment that exposes it to the risk of litigation as well as to regulatory proceedings.

The Board of Directors has significant scope for judgement in estimating the provisions for other business risks. This applies in particular to assessing the outcome of litigation and regulatory proceedings against the Company.

As of 31 December 2023, the Company has provisions for other business risks in the amount of CHF 18.7 million.

*Please refer to page 17 (Accounting policies) and note 13 on page 24.*

### How our audit addressed the key audit matter

We examined the analyses performed by the Company that form the basis for the valuation of the provisions required for the settlement of litigation and regulatory proceedings. The evidence we examined included, in particular, correspondence with external parties.

Further, we used our understanding of the Company's business and our inspection of its business correspondence to assess the completeness of the provisions.

With regard to as yet unidentified risks, we tested a sample of client complaints by inspecting the associated correspondence. In this way, we were able to assess the existence of systematic weaknesses for which provisions might have to be made. We also considered externally available information and assessed its potential implications for the Company.

Our audit did not give rise to any objections regarding the valuation of the provisions for other business risks.

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### Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the stand-alone financial statements, the annual report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with the requirements of Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements or, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on other legal and regulatory requirements

### Further Information pursuant to Article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 27 March 2023. We have been the statutory auditor of the Company without interruption since the financial year ending 31 December 2001.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

Further, we declare in accordance with Artikel 10 para. 2 lit. f Regulation (EU) No. 537/2014 that the prohibited non-audit services referred to in Article 5 para. 1 Regulation (EU) No. 537/2014 were not provided.

### Further Confirmations pursuant to Article 196 PGR

The annual report (pages 6 to 7) has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

We further confirm that the financial statement and the proposed appropriation of available earnings complies with Liechtenstein law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Philippe Bingert



Adrian Oehri  
Liechtenstein Certified Public Accountant  
Auditor in Charge

Zurich, 18 March 2024



# International locations

## LGT Private Banking

### Europe

**Austria** Salzburg, Vienna

**Germany** Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Munich

**Ireland** Dublin

**Principality of Liechtenstein** Vaduz

**Switzerland** Basel, Berne, Geneva, Lugano, Zurich

**United Kingdom** Birmingham, Bristol, Edinburgh, Jersey, Leeds, London

### Middle East

**Bahrain** Manama

**United Arab Emirates** Dubai

### Asia-Pacific

**Australia** Adelaide, Brisbane, Melbourne, Sydney

**Hong Kong SAR**

**India** Mumbai, New Delhi and 14 other locations

**Japan** Tokyo

**Singapore**

**Thailand** Bangkok

A complete list of LGT Private Banking locations can be found at [www.lgt.com](http://www.lgt.com)

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LGT Group will continue to consistently execute its strategy and is confident that it will achieve further solid growth while offering clients tailored investment solutions for every market scenario.

Roland Matt, Chief Executive Officer

**LGT Bank Ltd.**

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