



Private  
Banking

VALUES WORTH SHARING

# Annual Report 2021

LGT Bank Ltd., Vaduz



# “Talent development and employee satisfaction remain key priorities.”

Olivier de Perregaux, Chairman of the Board of Directors

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**A look inside the Princely Collections: Whether they capture views of Liechtenstein, the Via Mala Gorge or Lake Attersee – the impressive landscape paintings in the Princely Collections were painted by acclaimed masters of the day. For example, Josef Höger, who was nicknamed the “Raphael of Trees” for his atmospheric and at the same time dramatic forest- and mountainscapes. Or Thomas Ender, who combined painting with his scientific interest in topography and thus captured the landscapes he had traveled to with the greatest artistic mastery while remaining true to nature.**

For more than 400 years, the Princes of Liechtenstein have been passionate art collectors. The Princely Collections include key works of European art stretching over five centuries and are now among the world’s major private art collections. The notion of promoting fine arts for the general good enjoyed its greatest popularity during the

Baroque period. The House of Liechtenstein has pursued this ideal consistently down the generations. We make deliberate use of the works of art in the Princely Collections to accompany what we do. For us, they embody those values that form the basis for a successful partnership with our clients: expertise, reliability and a long-term perspective.

Cover image: Johann Jakob Schmidt, detail from “View on Vaduz from the Red House,” 1833

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[www.liechtensteincollections.at](http://www.liechtensteincollections.at)

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# Organizational structure

## December 2021

### Board of Directors

Olivier de Perregaux, Chairman  
H.S.H. Prince Hubertus Alois von und zu Liechtenstein  
Thomas Piske  
Gabrielle Nater-Bass  
Michael Bürge

### Internal Audit

Daniel Hauser

### Executive Board

Roland Schubert, CEO  
Ivo Klein  
Markus Werner  
Mark Steiner

### Statutory Auditor

PricewaterhouseCoopers AG, Zurich

## March 2022

### Board of Directors

Olivier de Perregaux, Chairman  
H.S.H. Prinz Hubertus Alois von und zu Liechtenstein  
Thomas Piske  
Gabrielle Nater-Bass  
Michael Bürge  
Roland Schubert

### Internal Audit

Daniel Hauser

### Executive Board

Roland Matt, CEO  
Ivo Klein  
Markus Werner  
Mark Steiner

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PricewaterhouseCoopers AG, Zurich

## The business year in comparison

<b>Balance sheet</b>		<b>2021</b>	<b>2020</b>	<b>absolute</b>	<b>Change %</b>
Balance sheet total	CHF m	40 521.1	39 506.9	1 014.2	2.6
Shareholders' funds (after profit distribution)	CHF m	3 154.0	3 144.1	9.9	0.3
Client deposit	CHF m	23 529.8	22 538.3	991.5	4.4
Due from clients	CHF m	16 216.2	15 670.9	545.2	3.5
<b>Profit and loss account</b>					
Net interest income	CHF m	178.8	214.3	-35.6	-16.6
Net commission and fee income	CHF m	418.8	350.9	67.9	19.3
Income from financial transactions	CHF m	96.8	124.9	-28.1	-22.5
Gross operating income	CHF m	739.2	737.3	1.9	0.3
Personnel expenses	CHF m	315.5	279.0	36.5	13.1
Operating expenses	CHF m	322.2	290.6	31.6	10.9
Result on ordinary business activity	CHF m	72.2	140.2	-68.0	-48.5
Income tax	CHF m	12.0	18.4	-6.4	-34.8
Profit for the year	CHF m	60.2	121.7	-61.6	-50.6
<b>Capital ratio</b>					
Capital ratio	%	19.1	20.7	-1.6	-7.6
<b>Client assets under administration</b>					
Client assets under administration	CHF m	113 566.5	100 446.5	13 120.0	13.1
<b>Personnel (full-time equivalents)</b>					
Staff at year-end		1 144	1 090	54	5.0

# Annual report

In the 2021 financial year, which was characterized by a generally favorable market environment, LGT Bank Ltd. reported good results and strong growth in assets under management.

## Decrease in gross profit

In wealth management for private clients, LGT Bank Ltd.'s core business, income from services increased 17 percent to CHF 497 million. This was mainly driven by increased client transactions and the larger volume of assets under management resulting from the acquisition of UBS's private banking business in Austria. Net interest income decreased 17 percent year on year to CHF 179 million. This was primarily due to the continued negative interest rate environment and a further decrease in short-term USD interest rates. The quality of the credit portfolio remains very high. This is reflected by the value adjustments, which were lower than in the previous year. Income from financial transactions, which includes income from trading, decreased 23 percent to CHF 97 million, primarily due to price fluctuations in the Group's own holdings of debt securities.

Business expenses were CHF 638 million, up 12 percent compared with the prior year. Operating expenses increased 11 percent to CHF 322 million due to growth and the acquisition in Austria. Personnel expenses rose 13 percent to CHF 315 million on the back of higher variable wage components and an increase in headcount. As at the end of 2021, the number of employees rose to 1144 in full-time equivalents (previous year: 1090), which is mainly attributable to the acquisition of UBS's private banking business in Austria.

Overall, LGT Bank Ltd. recorded gross operating income of CHF 739 million in 2021, which corresponds to an increase of CHF 2 million. Gross profit decreased by CHF 66 million or 39 percent to CHF 102 million. Profit for the year declined 51 percent to CHF 60 million. The balance sheet total rose 3 percent to CHF 40 521 million.

## Strong growth in assets under management

Client assets increased 13 percent to CHF 114 billion, thus reaching a new record. This growth is mainly due to net asset inflows, the acquisition of the client portfolio in Austria mentioned previously and positive market and investment performance.

## Strong capitalization

LGT Bank Ltd. is very well capitalized. As at year-end 2021, the capital ratio was 19 percent (previous year: 21 percent) of risk-weighted assets. It is therefore substantially above the minimum regulatory requirement of 8 percent.

## Outstanding achievements

In 2021, LGT once again received accolades from a number of independent juries. For example, the Financial Times Group's Professional Wealth Management (PWM) and The Banker magazines designated it Best Private Bank for Alternatives for the fourth consecutive year. Global Finance presented LGT with its Outstanding Leadership in Sustainability Transparency and Best Private Bank for Sustainable Investing in Western Europe awards. In the assessment conducted for the Handelsblatt Elite Report, LGT received the highest score of all of the participating wealth managers for the sixth time in a row. It was also given the highest "summa cum laude" rating for the 19<sup>th</sup> consecutive year and designated the leading private bank in Liechtenstein. The renowned Fuchsbriefe gave LGT a "very good" rating and ranked it sixth among the best wealth managers in German-speaking countries. Talent development and employee satisfaction remain key priorities: in 2021, LGT Bank Liechtenstein was certified by the international consulting and research institute Great Place to Work for the first time, and together with LGT Bank Switzerland, ranked fourth in Switzerland and Liechtenstein among employers with over 250 employees. LGT achieved an outstanding 23<sup>rd</sup> place ranking in the Multinational category of the Best Workplaces in Europe's list. It was the only bank in this ranking, which assesses companies from 36 countries in Europe.

### Ownership structure of LGT Bank Ltd.

All shares of LGT Bank Ltd. are held by LGT Group Holding Ltd., a 100 percent 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.

### Changes to the leadership structure

In January 2021, we announced the appointment of Roland Matt as CEO of LGT Bank Ltd. and Member of the Senior Management Board of LGT Private Banking, effective 1 January 2022. He succeeded Roland Schubert, who was appointed as a new member of the Board of Directors of LGT Bank Ltd. effective from the beginning of 2022, in these roles.

In addition, in December 2021, we announced that from the second quarter of 2022, Florian Dürselen would assume responsibility for Private Banking as a member of the Executive Board. Florian Dürselen has been a member of the Executive Board of LGT Bank (Switzerland) Ltd. since 2013, where he is responsible for Private Banking Europe. Prior to this, he was a member of the Executive Board of LGT Bank Ltd., Liechtenstein, for three years, and is therefore very familiar with the bank. To date, responsibility for Private Banking has rested with the bank's CEO, whose roles have included both leading the Executive Board and the direct client business. The separation of these two responsibilities will create structural clarity and increased focus. With his experience, Florian Dürselen is predestined to further expand the core markets Liechtenstein, Switzerland, Germany and Austria, and to further develop the European business out of Liechtenstein. His appointment is subject to the approval of the supervisory authorities.

### Impact of invasion of Ukraine

Since the end of February 2022, the political situation in Europe has been characterized by great uncertainty. Russia's invasion of Ukraine has upended the status quo. The long-term focus and risk-conscious approach of LGT Bank Ltd. are proving to be important and correct in this difficult environment. In view of the uncertain political situation and the resulting high volatility on international stock markets, LGT Bank Ltd. is positioning itself very cautiously. It is continuously monitoring the developments, and assessing and implementing any necessary measures, in close contact with its counterparties and the supervisory authorities.

### Outlook

We will continue to focus on serving our clients as a reliable partner in their financial matters and providing them with high-quality services. LGT's proven investment expertise in all major asset classes remains one of the main drivers of our successful business with high-net and ultra-high-net-worth clients. In the future, we will further leverage this investment expertise through technological and digital applications. LGT continues to place a strong focus on sustainable investments and is continuously expanding its range of related solutions. With our long-term approach and new management structures, we are confident that we will achieve further profitable growth.

We would like to thank our clients for their trust and our employees for their strong contribution during the year under review.

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

# Balance sheet

Assets (TCHF)	Appendix	31.12.2021	31.12.2020	Change	
				absolute	%
Cash and cash equivalents		9 843 542	9 498 274	345 267	3.6
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	3, 22	414 198	532 880	-118 683	-22.3
Due from banks	16	6 526 994	6 423 555	103 440	1.6
Due from clients	1, 16	16 216 172	15 670 948	545 225	3.5
of which mortgage loans	1, 16	3 171 609	3 147 768	23 840	0.8
Bonds and other fixed-interest bearing securities	2, 3, 4, 21, 23, 40	5 132 876	4 650 549	482 326	10.4
Participations	5, 7, 8, 40	295	295	0	0.0
Shares in affiliated companies	5, 6, 8, 21, 40	655	655	0	0.0
Intangible assets	9	182 539	96 941	85 597	88.3
Tangible assets	8	71 288	72 127	-838	-1.2
Other assets	41	2 083 839	2 514 529	-430 691	-17.1
Accrued income and prepaid expenses		48 710	46 170	2 540	5.5
<b>Total assets</b>		<b>40 521 108</b>	<b>39 506 923</b>	<b>1 014 185</b>	<b>2.6</b>
<b>Liabilities (TCHF)</b>					
Due to banks	16	12 447 276	12 002 243	445 033	3.7
Due to clients	16, 24	21 260 691	20 143 802	1 116 889	5.5
Securitized liabilities	12, 25	2 269 070	2 394 469	-125 399	-5.2
Other liabilities	42	1 190 023	1 568 903	-378 881	-24.1
Accrued expenses and deferred income		127 613	125 448	2 165	1.7
Provisions	13, 26, 37	22 158	27 474	-5 316	-19.3
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		1 228 419	1 207 137	21 282	1.8
Profit for the year		60 158	121 746	-61 588	-50.6
<b>Total liabilities</b>		<b>40 521 108</b>	<b>39 506 923</b>	<b>1 014 185</b>	<b>2.6</b>

**Important:** This document is a non-binding English translation of the authoritative German annual report.



## Off-balance sheet transactions

Off-balance sheet (TCHF)	Appendix	31.12.2021	31.12.2020	absolute	Change %
<b>Contingent liabilities</b>	1, 27	<b>8 227 311</b>	<b>7 297 782</b>	<b>929 529</b>	<b>12.7</b>
of which liabilities from guarantees and indemnity agreements as well as from the furnishing of collateral	1, 27	8 227 311	7 297 782	929 529	12.7
<b>Credit risks</b>		<b>1 604 930</b>	<b>1 063 888</b>	<b>541 042</b>	<b>50.9</b>
of which irrevocable commitments	1	295 634	207 435	88 199	42.5
of which commitments to subscribe additional contributions for shares or other equity securities	1	1 309 296	856 453	452 843	52.9
<b>Derivative financial instruments</b>					
Positive replacement values	30, 41	899 500	1 209 106	-309 606	-25.6
Negative replacement values	30, 42	1 066 890	1 466 801	-399 911	-27.3
Contract volume	30	124 626 519	101 607 647	23 018 872	22.7
<b>Fiduciary transactions</b>	29	<b>312 655</b>	<b>309 986</b>	<b>2 669</b>	<b>0.9</b>

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## Profit and loss account

Profit and loss account (TCHF)	Appendix	2021	2020	Change	
				absolute	%
Interest earned	32, 33, 34	249 815	380 827	-131 012	-34.4
Interest paid	33	-71 040	-166 494	95 454	-57.3
<b>Net interest income</b>		<b>178 775</b>	<b>214 332</b>	<b>-35 557</b>	<b>-16.6</b>
Equities and other non-fixed-interest securities		0	18	-18	-100.0
Participations		848	770	78	10.1
Shares in affiliated companies		0	57	-57	-100.0
<b>Current income from securities</b>		<b>848</b>	<b>845</b>	<b>3</b>	<b>0.4</b>
Commission income from lending business		6 451	5 205	1 246	23.9
Commission income from securities and investment business		476 411	404 571	71 840	17.8
Commission from other services		14 249	14 107	142	1.0
<b>Income from commission business and services</b>		<b>497 110</b>	<b>423 882</b>	<b>73 228</b>	<b>17.3</b>
Commission paid		-78 271	-72 938	-5 333	7.3
<b>Net commission and fee income</b>		<b>418 839</b>	<b>350 944</b>	<b>67 895</b>	<b>19.3</b>
<b>Income from financial transactions</b>		<b>96 783</b>	<b>124 905</b>	<b>-28 122</b>	<b>-22.5</b>
of which from trading	34	111 598	124 192	-12 594	-10.1
<b>Other ordinary income</b>	43	<b>43 966</b>	<b>46 275</b>	<b>-2 309</b>	<b>-5.0</b>
<b>Gross operating income</b>		<b>739 212</b>	<b>737 301</b>	<b>1 911</b>	<b>0.3</b>
Personnel expenses	35	-315 479	-278 967	-36 512	13.1
Operating expenses	36	-322 199	-290 618	-31 581	10.9
<b>Business expenses</b>		<b>-637 678</b>	<b>-569 585</b>	<b>-68 093</b>	<b>12.0</b>
<b>Gross profit</b>		<b>101 534</b>	<b>167 716</b>	<b>-66 182</b>	<b>-39.5</b>
Amortization of intangible assets and depreciation of tangible assets		-28 009	-23 964	-4 045	16.9
Other ordinary expenses	37, 44	-1 999	-2 245	246	-11.0
Value adjustments on receivables and funds allocated to provisions for contingent liabilities and credit risks		-12 377	-1 660	-10 717	645.6
Income from the release of value adjustments on receivables and from provisions for credit risks		13 014	324	12 690	3 916.7
<b>Result on ordinary business activity</b>		<b>72 164</b>	<b>140 171</b>	<b>-68 008</b>	<b>-48.5</b>
Income tax		-12 005	-18 425	6 420	-34.8
<b>Profit for the year</b>		<b>60 158</b>	<b>121 746</b>	<b>-61 588</b>	<b>-50.6</b>

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## Appropriation of net profit

<b>Appropriation of net profit – proposal of the Board of Directors to the general meeting of shareholders (TCHF)</b>	<b>2021</b>	<b>2020</b>
Profit for the year	60 158	121 746
Profit carried forward	1 228 419	1 207 137
Accumulated profit for the year	1 288 577	1 328 883
Profit distribution		
Allocation to legal reserves	0	0
Allocation to statutory reserves	0	0
Allocation to other reserves	0	0
Dividend on company capital	50 232	100 464
Other profit distribution	0	0
Profit carried forward	1 238 345	1 228 419

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# Flow of funds statement

Flow of funds statement (TCHF)	2021		2020	
	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	60 158		121 746	
Depreciation of non-current assets	28 009	2 037	23 964	98
Value adjustments and provisions		5 316		2 157
Accrued income and prepaid expenses		2 540	14 808	
Accrued expenses and deferred income	2 165			8 830
Other positions				5
Previous-year dividend		100 464		149 968
<b>Balance</b>		<b>20 025</b>		<b>540</b>
<b>Flow of funds from changes to non-current assets</b>				
Participations				
Shares in affiliated companies			20 000	
Securities and precious metals as non-current assets	1 209	54		139
Intangible assets	176	105 874	9 215	20
Properties	4 979	10 179	266	7 721
Other tangible assets	1 646	1 830	122	915
<b>Balance</b>		<b>109 927</b>	<b>20 808</b>	
<b>Flow of funds from banking operations</b>				
<b>Medium and long-term business (&gt; 1 year)</b>				
Due to banks	49 018		74 578	
Due to clients		2 172		18 689
Bonds	265 735			230 722
Medium-term notes		34 116		27 279
Other liabilities		32 909	22 701	
Due from banks		72 285		121 216
Due from clients (excl. mortgage loans)		118 371	119 755	
Mortgage loans	7 419		47 803	
Other receivables	140 119	838	590	78 514
<b>Short-term business (≤ 1 year)</b>				
Due to banks	396 015		1 056 603	
Due to clients	1 119 059			747 784
Other liabilities		702 987	914 800	
Due from banks		31 155	1 652 961	
Due from clients		434 273	1 464 179	
Trading positions in securities and precious metals		94 942	372 656	
Securities and precious metals held as current assets (excl. trading positions)		230 172		445 751
Other receivables	252 075			541 849
<b>Liquid funds</b>				
Cash and cash equivalents		345 268		3 535 090
<b>Balance</b>		<b>129 952</b>		<b>20 268</b>
<b>Total</b>		<b>129 952</b>	<b>20 808</b>	<b>20 808</b>



Thomas Ender (1793–1875), detail from "Via Mala"



## Notes on business activity

### General points

LGT Bank Ltd. with its registered office in Vaduz operates as a universal bank and securities trader. The company has branch offices in Hong Kong, Vienna and Dublin. The bank maintains representative offices in Bahrain, Geneva, Lugano and Zurich. At 31 December 2021, LGT Bank Ltd. employed 1144 persons on a full-time equivalent basis (1090 in the previous year). In 2021, the average headcount amounted to 1102 persons (1072 in the previous year).

As a universal bank, LGT Bank is active in the fields of wealth management (commission business and services) and trading, as well as in money market and 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 to suit their needs. Most earnings from commission business and services stem, among other things, from wealth management. The commission business and services also represents the bank's main source of revenue.

### Money market business

Within the scope of money market business, money in the form of call money, time deposits and fiduciary investments is deposited with the bank. Insofar as these funds are not required for lending business, they are placed with first-class banks, predominantly in Western Europe. These investments are being made in the form of easily convertible money market paper (certificates of deposit, Euro commercial papers). Despite its focus on private banking, interest margin business represents an important earnings stream for the bank.

### Trading business

LGT Bank Ltd. operates trading transactions for clients and for its own account in securities, foreign exchange and precious metals. The bank trades for its own account in accordance with conservative principles. Derivative instruments are used mostly for hedging purposes.

### Lending business

Most lending takes the form of Lombard loans and mortgages on residential property. Mortgages are granted primarily for financing properties in Liechtenstein and in Switzerland. Property financing in selected other countries is offered as part of integrated wealth management.

# Accounting policies

## 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 statement in thousands of Swiss francs (TCHF) 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, the LGT Group Foundation, is itself subject to the Banking Act and prepares annual accounts at Group level. The consolidated accounts are available for inspection at LGT Marketing & Communications at the offices of 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, and are valued from this date for the calculation of earnings.

## Foreign currency conversions

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

The balance sheet and income statement positions of foreign operations are converted at the rates prevailing on the balance sheet date.

Conversion rates	31.12.2021	31.12.2020
1 EUR	1.0361	1.0812
1 USD	0.9111	0.8838
1 GBP	1.2342	1.2076
1 SGD	0.6758	0.6686
1 HKD	0.1169	0.1140
100 JPY	0.7914	0.8561

## 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 amortized 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 his future obligations, are valued on an individual basis and the decrease in value is covered by specific value adjustments. Loans are rated as impaired at the latest if the contractual payments for capital and/or interest have been outstanding for more than 90 days. Interest which has been outstanding for more than 90 days is regarded as overdue. Overdue interest and interest which is in danger of not being received, is no longer recovered but is instead allocated to value adjustments.

The decrease in value is measured according to 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. The net present value calculation is based on the current interest rate of the claim 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. In this connection, 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 profit and loss account.

Impaired claims are reclassified as performing if the outstanding capital amounts and interest are again paid within the specified period under contractual agreements.

### **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 recognized 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 amortized 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 amortized 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 are insignificant in 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 building work carried out in rented properties is 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 interest rate business positions are

hedged with derivatives, the difference between the fair value valuation and the accrual method is reported 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 and cash contributions or 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 at 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 taken off 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 entered as interest earned and interest paid.

### **Amounts due to banks and clients**

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

### **Securitized liabilities**

Securitized liabilities in the form of certificates and medium-term notes are reported in the balance sheet at repayment amount. Bonds are reported at amortized 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

Securitized subordinated debt is entered in the balance sheet at the value of the repayment amount. Non-securitized 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, as experience has shown, exist in a loan portfolio, portfolio value provisions are also made based on a systematic approach. Value adjustments are offset directly against the corresponding asset position. Provisions are formed for uncertain liabilities and for threatened losses which are likely or certain on the balance sheet reporting date, but whose level or date of occurrence is uncertain. Provisions are reported under the same name 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 has 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 risk policy. Whereas the functions of risk management are allocated to operational units, the Executive Board is responsible for overall risk control. The independent Risk Controlling Department monitors compliance with the issued provisions.

### Market risks

The bank's business activities mean that it is mainly exposed to risks associated with interest rate, credit spread and foreign currency fluctuations. Whereas the Trading Committee is responsible for controlling risks resulting from trading activities, the Asset and Liability Committee is responsible for controlling the stemming from the balance sheet structure.

These bodies restrict the risk positions by means of volume and sensitivity guidelines, and value-at-risk and loss limits. An analysis of the aggregate risks and the simulation of worst-case scenarios are carried out on a regular basis.

### Credit risks

Lending activities are primarily carried out in the interbank market or in secured form in private client business. The bank pursues a conservative lending policy where the same guidelines are applied for both monetary loans and guarantee credits. By strict limitation of the default risks, the formation of cluster and country risks is also countered. An internal rating procedure is applied as an instrument for efficient risk management and risk-adjusted calculation of conditions. Detailed reporting ensures that the Executive Board is constantly informed about developing risks.

### Operational risks

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

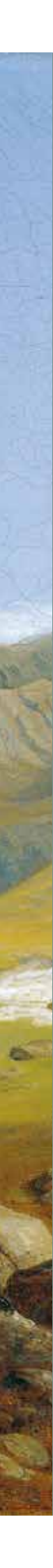
### Derivative financial instruments

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

The accounting and valuation principles remain unchanged compared to last year.

Heinrich Reinhold, detail from "Artists exploring the Austrian Alps," around 1819





“We will continue to focus on serving our clients as a reliable partner in their financial matters and providing them with high-quality services.”

Roland Schubert, Chief Executive Officer

# Notes on the balance sheet

## 1 Overview of collateral (TCHF)

		Mortgage-backed	Other collateral	Without collateral	Total
<b>Advances</b>					
Due from clients (excl. mortgage loans)		176 948	10 331 509	2 536 106	13 044 564
Mortgage loans		3 171 609			3 171 609
Residential properties		2 709 689	0	0	2 709 689
Office and business premises		222 116	0	0	222 116
Commercial and industrial premises		121 171	0	0	121 171
Other		118 632	0	0	118 632
<b>Total</b>	<b>31.12.2021</b>	<b>3 348 557</b>	<b>10 331 509</b>	<b>2 536 106</b>	<b>16 216 172</b>
	31.12.2020	3 318 504	9 434 566	2 917 877	15 670 948

### Off-balance sheet transactions

Contingent liabilities		456	259 606	7 967 249	8 227 311
Irrevocable commitments		23 047	58 166	214 421	295 634
Commitments to subscribe additional contributions for shares or other equity securities		0	596 433	712 863	1 309 296
<b>Total</b>	<b>31.12.2021</b>	<b>23 503</b>	<b>914 205</b>	<b>8 894 534</b>	<b>9 832 241</b>
	31.12.2020	27 618	611 825	7 722 228	8 361 670

### Impaired due amounts (TCHF)

		Gross amount due	Estimated realization value of collateral	Net amount due	Specific value adjustments
<b>31.12.2021</b>		<b>23 928</b>	<b>13 023</b>	<b>10 905</b>	<b>10 905</b>
31.12.2020		39 569	29 197	10 372	10 372

## 2 Trading positions (TCHF)

	Book value		Cost		Market value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<b>Trading positions comprising securities and precious metals</b>						
Debt instruments	1 347 543	1 214 072	1 400 170	1 249 561	1 347 543	1 214 072
listed (traded on a recognized exchange)	1 033 059	953 306	1 072 722	987 567	1 033 059	953 306
unlisted	314 484	260 766	327 449	261 994	314 484	260 766
of which own bonds and medium-term notes	13 269	23 639	13 509	23 968	13 269	23 639
Equity paper	0	0	0	0	0	0
Precious metals	1 133 840	1 172 369	1 133 840	1 172 369	1 133 840	1 172 369
<b>Total</b>	<b>2 481 383</b>	<b>2 386 441</b>	<b>2 534 010</b>	<b>2 421 930</b>	<b>2 481 383</b>	<b>2 386 441</b>
of which central bank-eligible securities (eligible for repo transactions)	3 453	0	3 467	0	3 453	0

3	Securities and precious metals held as current assets (excl. trading positions) (TCHF)	Book value		Cost		Market value	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Debt instruments	4 199 531	3 969 358	4 343 066	4 202 891	4 232 264	4 032 679
	Equity paper	0	0	0	0	0	0
	Precious metals	0	0	0	0	0	0
	<b>Total</b>	<b>4 199 531</b>	<b>3 969 358</b>	<b>4 343 066</b>	<b>4 202 891</b>	<b>4 232 264</b>	<b>4 032 679</b>
	of which eligible as security for central bank borrowings	2 104 544	2 212 620	2 159 612	2 328 061	2 115 691	2 236 955

4	Securities and precious metals held as non-current assets (TCHF)	Book value		Cost		Market value	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Debt instruments	0	0	0	0	0	0
	Equity paper	0	0	0	0	0	0
	Precious metals	398	1 203	781	1 936	490	1 645
	<b>Total</b>	<b>398</b>	<b>1 203</b>	<b>781</b>	<b>1 936</b>	<b>490</b>	<b>1 645</b>
	of which eligible as security for central bank borrowings	0	0	0	0	0	0

5	Participations and shares in affiliated companies (TCHF)	31.12.2021	31.12.2020
		<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	655	655
	Subordinated claims against affiliated companies	0	0
	<b>Total</b>	<b>655</b>	<b>655</b>

6	Affiliated companies	Business activity	Share capital	% share of votes	% share of capital	Business result TCHF
	<b>Banks and investment firms</b>					
	LGT Bank (Cayman) Ltd., Grand Cayman	bank	USD 600 000	100	83	97

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. At 31 December 2021, the shares in banks and investment firms shown under the shares in affiliated companies item amounted to TCHF 655 (655 in the previous year).

## 7 Participations

The companies listed under participations serve only as infrastructure and are insignificant in terms of the share of capital and votes. There are no shares in banks and investment firms under participations.



8 Statement of changes in non-current assets (TCHF)	Cost	Accumulated depreciation/ write-ups	Book value 31.12.2020
Total participations (minority holdings)	295	0	295
Total shares in affiliated companies	655	0	655
Total securities and precious metals held as non-current assets	1 936	-733	1 203
Total intangible assets	153 413	-56 472	96 941
Properties			
Bank premises	217 847	-148 475	69 372
Other properties	9 616	-9 616	0
Other tangible assets	11 200	-8 445	2 755
Total tangible assets	238 663	-166 536	72 127
Fire insurance value of properties			218 076
Fire insurance value of other tangible assets			7 648
Real estate intended for sale (not included in the statement of changes in non-current assets)			1 230

#### 9 Intangible assets

At 31 December 2021, this item included capitalized software licenses amounting to TCHF 9 and at 31 December 2020 amounting to TCHF 18.

At 31 December 2021, this item also included goodwill and other acquired intangible assets amounting to TCHF 182 529 and at 31 December 2020 amounting to TCHF 96 923. These are depreciated over a ten-year period.

10 Pledged or assigned assets and assets subject to reservation of ownership (TCHF)	31.12.2021	31.12.2020
<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	267 401	274 283
Actual liabilities	101 464	109 508
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	2 592 326	3 037 171
Liabilities from cash deposits in connection with securities lending and repurchase transactions	10 000	1 231 985
Own securities lent or provided as collateral within the scope of securities lending, borrowing transactions and transferred from repurchase transactions	0	517 094
of which capable of being resold or pledged without restrictions	0	517 094
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	2 596 737	3 067 789
of which resold or further pledged securities	11 742	718 908

11 Liabilities in respect of own pension funds (TCHF)	31.12.2021	31.12.2020
<b>Total liabilities</b>	<b>31 552</b>	<b>31 098</b>

Investments	Disinvestments	Reclassifications	Write-ups	Depreciation	Book value 31.12.2021
0	0	0	0	0	295
0	0	0	0	0	655
54	-1 209	0	350	0	398
105 874	-176	0	184	-20 285	182 539
10 179	-4 979	0	3	-6 092	68 482
0	0	0	0	0	0
1 830	-1 646	0	1 501	-1 633	2 807
12 008	-6 626	0	1 504	-7 724	71 288
					224 606
					11 484
					1 230

## 12 Outstanding bonds at 31.12.2021

	Interest rate %	Year of issue	Earliest redemption date	Currency	Par value TCHF
LGT GIM Index Certificates	0.0	ongoing	28.02.2022	EUR	40 404
LGT GIM Index Certificates II	0.0	ongoing	30.06.2024	EUR	115 658
LGT GIM Index Certificates II/2	0.0	ongoing	31.03.2026	EUR	22 334
LGT GIM Index Certificates III	0.0	ongoing	31.07.2026	EUR	71 343
Crown Absolute Return Index Certificates	0.0	ongoing	30.11.2023	EUR	2 658
1.875% bond LGT Bank Ltd. 2013 – 8.2.2023	1.875	2013	08.02.2023	CHF	299 817
0.625% bond LGT Bank Ltd. 2015 – 25.11.2025	0.625	2015	25.11.2025	CHF	300 363
0.2% bond LGT Bank Ltd. 2016 – 12.10.2026	0.2	2016	12.10.2026	CHF	349 971
0.5% bond LGT Bank Ltd. 2017 – 12.05.2027	0.5	2017	12.05.2027	CHF	275 923
0.375% bond LGT Bank Ltd. 2019 – 5.7.2028	0.375	2019	05.07.2028	CHF	149 713
0.375% bond LGT Bank Ltd. 2019 – 15.11.2029	0.375	2019	15.11.2029	CHF	159 865
0.2% bond LGT Bank Ltd. 2020 – 4.11.2030	0.2	2020	04.11.2030	CHF	224 440
0.45% bond LGT Bank Ltd. 2021 – 29.07.2031	0.45	2021	29.07.2031	CHF	200 269

For product explanations see appendix 47 on page 40

13 Value adjustments and provisions (TCHF)	Status 31.12.2020	Application	Recoveries, overdue interest, currency differences	New allocations out of P/L account	Releases to P/L account	Status 31.12.2021
Value adjustments for default risks						
Specific value adjustments	10 372		6	1 707	-1 179	10 905
Portfolio value adjustments	13 492		-22	10 312	-11 764	12 019
Provisions for contingent liabilities and credit risks	3 552		4	358	-72	3 843
Provisions for other business risks	8 668	-6 757	55	894	-138	2 722
Provisions for taxes and deferred taxes	13 161	-13 902	-38	13 434		12 655
Other provisions	2 092		-73	919		2 938
<b>Total value adjustments and provisions</b>	<b>51 338</b>	<b>-20 659</b>	<b>-68</b>	<b>27 624</b>	<b>-13 152</b>	<b>45 082</b>
less:						
Value adjustments	-23 864					-22 924
<b>Total provisions as per the balance sheet</b>	<b>27 474</b>					<b>22 158</b>

See also Point 37

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 (TCHF)	Total nominal value	Number of shares	31.12.2021 Capital entitled to a dividend	Total nominal value	Number of shares	31.12.2020 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 authorized capital or contingent capital exists.

Major shareholders and groups of shareholders linked by voting rights	Nominal	31.12.2021 %	Nominal	31.12.2020 %
with voting right: 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 economic beneficiary of LGT Group Foundation is the Prince of Liechtenstein Foundation in Vaduz. The main economic beneficiary of the Prince of Liechtenstein Foundation is the reigning prince of Liechtenstein, H.S.H. Prince Hans-Adam II von und zu Liechtenstein.



## 15 Equity statement (TCHF)

<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	1 328 883
<b>Total equity capital at the start of the business year (prior to profit distribution)</b>	<b>3 244 584</b>
+/- capital increase/capital reduction	0
+ premium	0
- Release of provisions for general banking risks	0
- dividend from the previous year's profit	-100 464
+ annual profit for the business year	60 158
<b>Total equity capital at the end of the business year (prior to profit distribution)</b>	<b>3 204 278</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	1 288 577

## 16 Maturity structure of assets, liabilities and provisions (TCHF)

On demand

Redeemable

		On demand	Redeemable
<b>Assets</b>			
Cash and cash equivalents		9 843 542	–
Due from banks		1 344 710	–
Due from clients		38 250	661 594
of which mortgage loans		884	18 368
Trading positions comprising securities and precious metals		2 481 383	–
Debt instruments and precious metals held as current assets (excl. trading positions)		3 785 333	–
of which debt instruments of public authorities and bills eligible for refinancing at central banks		–	–
Securities and precious metals held as non-current assets		398	–
Other assets		159 321	122 107
<b>Total assets</b>	<b>31.12.2021</b>	<b>17 652 937</b>	<b>783 701</b>
	31.12.2020	17 172 702	850 841
<b>Liabilities and provisions</b>			
Due to banks		6 114 254	4 092 821
Due to clients		14 353 030	5 612 426
Savings accounts		–	694 068
Other liabilities to clients		14 353 030	4 918 358
Securitized liabilities		–	–
Issued bonds		–	–
of which medium-term notes		–	–
Other securitized liabilities		–	–
Provisions (excl. provisions for general banking risks)		22 158	–
Other liabilities		174 951	122 197
<b>Total liabilities and provisions</b>	<b>31.12.2021</b>	<b>20 664 393</b>	<b>9 827 444</b>
	31.12.2020	16 649 377	10 368 763

Of the securities reported in the balance sheet under bonds and other fixed-interest bearing securities, instruments amounting to TCHF 1 853 432 (2 168 368 in the previous year) will become due in 2022. Issued bonds due in 2022 amount to TCHF 75 934 (432 951 in the previous year).

Due within 3 months	Due between 3 to 12 months	Due between 12 months to 5 years	Due after 5 years	Immobilized	Total
-	-	-	-	-	9 843 542
3 379 089	889 411	543 432	370 351	-	6 526 994
13 545 040	934 765	734 405	302 119	-	16 216 172
2 118 248	255 072	489 747	289 290	-	3 171 609
-	-	-	-	-	2 481 383
373 302	40 895	-	-	-	4 199 531
373 302	40 895	-	-	-	414 198
-	-	-	-	-	398
619 171	221 152	48 583	10 236	72 518	1 253 088
<b>17 916 602</b>	<b>2 086 223</b>	<b>1 326 420</b>	<b>682 707</b>	<b>72 518</b>	<b>40 521 108</b>
17 402 747	2 127 705	1 230 412	649 159	73 357	39 506 923
1 690 954	193 647	140 200	215 400	-	12 447 276
1 173 845	113 317	8 072	-	-	21 260 691
-	-	-	-	-	694 068
1 173 845	113 317	8 072	-	-	20 566 623
57 227	18 707	1 174 061	1 019 075	-	2 269 070
57 227	18 707	1 174 061	1 019 075	-	2 269 070
16 822	18 707	11 918	8 866	-	56 313
-	-	-	-	-	0
-	-	-	-	-	22 158
705 106	192 764	93 858	28 759	-	1 317 635
<b>3 627 133</b>	<b>518 434</b>	<b>1 416 191</b>	<b>1 263 234</b>	<b>-</b>	<b>37 316 830</b>
5 179 669	1 630 661	1 017 291	1 416 579	-	36 262 339

17 Transactions with closely associated persons (TCHF)	31.12.2021	31.12.2020
<b>Claims on affiliated companies</b>		
Due from banks	1 642 348	1 495 219
Due from clients	5 969 224	6 012 130
of which due from qualified participants	5 329 081	5 247 784
<b>Total</b>	<b>7 611 572</b>	<b>7 507 349</b>
<b>Liabilities to affiliated companies</b>		
Due to banks	10 766 283	9 557 179
Due to clients	678 845	519 803
of which due to qualified participants	23 106	3 702
Securitized liabilities	0	0
<b>Total</b>	<b>11 445 128</b>	<b>10 076 982</b>
<b>Loans to governing bodies</b>		
Members of the Board of Directors	0	1 775
Members of the Executive Board	6 286	5 815
Members of the governing bodies of the parent company	2 523	1 861
<b>Total</b>	<b>8 809</b>	<b>9 451</b>
<b>Claims and liabilities to Prince of Liechtenstein Foundation (qualified participant)</b>		
Due from clients	2 785	0
Due to clients	127 397	187 808

#### 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	2021	2020
<b>LGT Group Holding Ltd., Vaduz</b>			
Interest earned	Debit interest	3 557	3 398
Other ordinary income	Income from real estate	1 269	1 321
Operating expenses	Services for accounting/controlling, internal audit, compliance, HR, marketing, risk controlling, legal & tax, property insurance, management services, logo fee	85 698	49 124
Contingent liabilities	Guarantees	–	14 341
<b>LGT Group Foundation, Vaduz</b>			
Interest earned	Debit interest	9 912	9 259
Operating expenses	Logo fee, marketing	9 880	20 818
<b>LGT Bank (Switzerland) Ltd., Basel</b>			
Interest earned	Debit interest, negative debit interest	3 986	6 010
Interest paid	Credit interest, negative credit interest	12 313	30 536
Commission income	Brokerage fees, custody fees	15 278	16 268
Commission paid	Client advisory services, investment management	5 911	3 761
Other ordinary income	Loan administration, management services, trading administration	10 196	11 669
Personnel expenses	Staff interchange	1 868	1 551
Operating expenses	Income from real estate, services for IT, marketing, investment services	8 676	7 507
Contingent liabilities	Guarantees	27 259	–
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	266 812	135 700

Counterparty	Type(s) of transaction	2021	2020
<b>LGT Bank (Singapore) Ltd., Singapore</b>			
Interest earned	Debit interest, negative debit interest	8 124	844
Interest paid	Credit interest, negative credit interest	1 743	2 686
Commission income	Brokerage fees, custody fees	89 717	74 619
Commission paid	Client advisory services, investment management	6 147	7 675
Other ordinary income	Loan administration, management services, investment services, front support services, staff interchange	18 045	18 882
Operating expenses	Trading administration, IT, investment services	22 665	16 954
Contingent liabilities	Guarantees	7 918 246	7 033 176
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	272 204	207 768
<b>LGT Capital Partners (FL) Ltd., Vaduz</b>			
Commission income	Distribution fees	83 236	72 132
<b>LGT Capital Partners Ltd., Pfäffikon</b>			
Interest paid	Negative credit interest	-1 549	-880
Commission paid	Portfolio management	1 114	1 729
Operating expenses	Logo fee	1 623	2 805
<b>LGT Capital Partners (Ireland) Ltd., Dublin</b>			
Commission income	Distribution fees, operation fees	5 511	3 495
Other ordinary income	Income from real estate, services for IT, legal, accounting, facility	625	696
<b>LGT Capital Partners (Asia-Pacific) Ltd., Hong Kong</b>			
Other ordinary income	Income from real estate, services for accounting, facility, IT, HR	2 427	2 975
<b>LGT investment management companies</b>			
Interest earned	Debit interest	1 099	1 191
Interest paid	Credit interest, negative credit interest	-433	2 219
Commission income	Distribution fees, custody fees	5 742	7 700
Other ordinary income	Income from real estate, services for IT, facility, accounting, HR, legal, other	3 117	619
Contingent liabilities	Guarantees	9 576	9 993
<b>LGT (Middle East) Ltd., Dubai</b>			
Commission paid	Client advisory services	2 767	3 081
Other ordinary income	Consulting, staff interchange	24	875
<b>LGT Financial Services Ltd., Vaduz</b>			
Operating expenses	facility management, property management, services for IT, payment transactions, securities administration	121 766	113 674
Other ordinary income	Income from real estate, services for IT	2 474	2 227
<b>LGT Global Invest Ltd., Cayman</b>			
Interest earned	Debit interest	572	942
<b>LGT Investment Management (Asia) Ltd., Hong Kong</b>			
Other ordinary income	Management services, investment services, accounting, compliance, staff interchange, IT	1 814	1 831
Contingent liabilities	Guarantees	2 731	2 649
<b>LGT Capital Invest Mauritius PCC, Mauritius</b>			
Operating expenses	Logo fee	6 849	11 765
<b>LGT Certificates Ltd., Cayman</b>			
Commission income	Distribution fees	3 417	2 986
<b>LGT Vestra LLP, London</b>			
Other ordinary income	Consulting, staff interchange	25	1 148
<b>LGT UK Holdings Ltd., London</b>			
Interest earned	Debit interest	540	-
<b>LGT Securities (Thailand) Ltd., Bangkok</b>			
Other ordinary income	Management services, investment services, services for IT, HR, product control	1 000	-

18 Breakdown of balance sheet according to domicile (TCHF)	31.12.2021		31.12.2020	
	Domestic	Abroad	Domestic	Abroad
<b>Assets</b>				
Cash and cash equivalents	8 029 006	1 814 536	9 199 498	298 776
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	200 239	213 959	150 212	382 668
Due from banks	5 092 483	1 434 511	3 986 303	2 437 252
Due from clients (excl. mortgage loans)	6 535 482	6 509 082	6 735 286	5 787 894
Mortgage loans	2 360 307	811 301	2 398 624	749 144
Bonds and other fixed-interest bearing securities	416 252	4 716 624	497 276	4 153 273
Participations	66	229	66	229
Shares in affiliated companies	0	655	0	655
Intangible assets	0	182 539	0	96 941
Tangible assets	65 403	5 885	65 785	6 341
Other assets	905 390	1 178 449	1 044 469	1 470 061
Accrued income and prepaid expenses	13 667	35 043	12 459	33 711
<b>Total assets</b>	<b>23 618 295</b>	<b>16 902 813</b>	<b>24 089 978</b>	<b>15 416 945</b>
<b>Liabilities</b>				
Due to banks	10 303 246	2 144 030	9 577 540	2 424 704
Due to clients (excl. savings accounts)	8 396 411	12 170 212	7 379 231	12 043 759
Savings accounts	503 110	190 958	526 431	194 381
Securitized liabilities	2 269 070	0	2 394 469	0
Other liabilities	515 170	674 853	659 836	909 067
Accrued expenses and deferred income	49 647	77 966	61 774	63 673
Provisions	9 593	12 565	25 663	1 811
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	1 228 419	0	1 207 137	0
Profit for the year	63 256	-3 098	115 005	6 741
<b>Total liabilities</b>	<b>25 253 622</b>	<b>15 267 486</b>	<b>23 862 787</b>	<b>15 644 136</b>

Balance sheet items are broken down based on the client's domicile, mortgage loans by the location of the property. Domestic comprises Liechtenstein and Switzerland.

19 Breakdown of assets according to country/country group	31.12.2021		31.12.2020	
	TCHF	%	TCHF	%
<b>Country</b>				
Liechtenstein	7 867 359	19.4	7 860 878	19.9
Switzerland	15 750 936	38.9	16 229 100	41.1
Europe excl. Liechtenstein/Switzerland	10 190 650	25.1	7 928 397	20.1
North America	1 044 128	2.6	1 824 759	4.6
Caribbean	1 915 489	4.7	2 068 955	5.2
Latin America	88 658	0.2	75 862	0.2
Africa	81 320	0.2	116 680	0.3
Asia	2 989 195	7.4	2 744 531	6.9
Oceania	593 373	1.5	657 761	1.7
<b>Total assets</b>	<b>40 521 108</b>	<b>100.0</b>	<b>39 506 923</b>	<b>100.0</b>

20 Breakdown of balance sheet according to currencies (TCHF)	CHF	EUR	USD	Other	31.12.2021 Total
<b>Assets</b>					
Cash and cash equivalents	8 024 445	1 771 221	801	47 075	9 843 542
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	200 238	155 538	0	58 422	414 198
Due from banks	3 495 806	1 006 937	1 392 810	631 441	6 526 994
Due from clients (excl. mortgage loans)	6 563 095	2 549 114	2 357 090	1 575 264	13 044 563
Mortgage loans	2 368 337	365 011	48 185	390 076	3 171 609
Bonds and other fixed-interest bearing securities	396 125	560 770	3 154 476	1 021 506	5 132 876
Participations	295	0	0	0	295
Shares in affiliated companies	655	0	0	0	655
Intangible assets	0	98 858	0	83 681	182 539
Tangible assets	65 403	3 406	0	2 479	71 288
Other assets	853 324	16 606	768	1 213 140	2 083 839
Accrued income and prepaid expenses	18 248	5 653	12 002	12 807	48 710
<b>Total assets</b>	<b>21 985 971</b>	<b>6 533 114</b>	<b>6 966 132</b>	<b>5 035 891</b>	<b>40 521 108</b>
Delivery claims from forex spot, forex futures and forex options transactions	20 226 188	20 153 089	52 525 093	20 350 484	113 254 854
<b>Total assets</b>	<b>42 212 159</b>	<b>26 686 203</b>	<b>59 491 225</b>	<b>25 386 375</b>	<b>153 775 962</b>
<b>Liabilities</b>					
Due to banks	1 406 163	2 603 341	6 397 966	2 039 805	12 447 276
Due to clients (excl. savings accounts)	3 903 639	4 319 996	9 466 073	2 876 916	20 566 623
Savings accounts	560 983	36 083	97 002	0	694 068
Securitized liabilities	2 007 316	261 753	0	0	2 269 070
Other liabilities	1 144 695	27 809	6 023	11 496	1 190 023
Accrued expenses and deferred income	55 900	12 487	40 872	18 353	127 613
Provisions	11 498	1 687	1 875	7 098	22 158
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	1 228 419	0	0	0	1 228 419
Profit for the year	63 256	-12 292	0	9 194	60 158
<b>Total liabilities</b>	<b>12 297 570</b>	<b>7 250 865</b>	<b>16 009 811</b>	<b>4 962 862</b>	<b>40 521 108</b>
Delivery liabilities from forex spot, forex futures and forex options transactions	30 098 662	19 428 417	43 544 240	20 339 418	113 410 737
<b>Total liabilities</b>	<b>42 396 232</b>	<b>26 679 282</b>	<b>59 554 051</b>	<b>25 302 280</b>	<b>153 931 845</b>
<b>Net position per currency</b>	<b>-184 073</b>	<b>6 921</b>	<b>-62 826</b>	<b>84 094</b>	<b>-155 883</b>

Breakdown of balance sheet according to currencies (TCHF)	CHF	EUR	USD	Other	31.12.2020 Total
<b>Assets</b>					
Cash and cash equivalents	9 195 114	257 917	514	44 729	9 498 274
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	150 212	0	331 385	51 283	532 880
Due from banks	2 678 677	1 622 740	1 559 362	562 777	6 423 555
Due from clients (excl. mortgage loans)	6 781 844	2 327 058	1 949 582	1 464 693	12 523 180
Mortgage loans	2 408 327	349 569	59 937	329 936	3 147 768
Bonds and other fixed-interest bearing securities	472 591	660 491	2 805 898	711 570	4 650 549
Participations	295	0	0	0	295
Shares in affiliated companies	655	0	0	0	655
Intangible assets	0	18	0	96 923	96 941
Tangible assets	65 785	2 880	0	3 461	72 127
Other assets	1 188 926	5 296	18 165	1 302 143	2 514 529
Accrued income and prepaid expenses	14 385	7 918	12 490	11 377	46 170
<b>Total assets</b>	<b>22 956 811</b>	<b>5 233 887</b>	<b>6 737 333</b>	<b>4 578 892</b>	<b>39 506 923</b>
Delivery claims from forex spot, forex futures and forex options transactions	13 196 037	17 365 012	41 477 930	19 571 427	91 610 406
<b>Total assets</b>	<b>36 152 846</b>	<b>22 598 899</b>	<b>48 215 264</b>	<b>24 150 320</b>	<b>131 117 329</b>
<b>Liabilities</b>					
Due to banks	2 012 491	1 830 995	6 463 544	1 695 215	12 002 243
Due to clients (excl. savings accounts)	3 741 677	3 722 243	9 245 500	2 713 569	19 422 990
Savings accounts	585 390	100 505	34 917	0	720 812
Securitized liabilities	2 150 188	244 280	0	0	2 394 469
Other liabilities	1 511 856	18 430	12 739	25 878	1 568 903
Accrued expenses and deferred income	63 045	10 261	35 708	16 433	125 448
Provisions	23 891	1 542	1 773	268	27 474
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	1 207 137	0	0	0	1 207 137
Profit for the year	115 005	-2 974	0	9 715	121 746
<b>Total liabilities</b>	<b>13 326 381</b>	<b>5 925 282</b>	<b>15 794 181</b>	<b>4 461 078</b>	<b>39 506 923</b>
Delivery liabilities from forex spot, forex futures and forex options transactions	23 043 544	16 672 092	32 509 434	19 563 874	91 788 945
<b>Total liabilities</b>	<b>36 369 924</b>	<b>22 597 375</b>	<b>48 303 615</b>	<b>24 024 954</b>	<b>131 295 868</b>
<b>Net position per currency</b>	<b>-217 078</b>	<b>1 524</b>	<b>-88 351</b>	<b>125 366</b>	<b>-178 539</b>



<b>21 Subordinated assets (TCHF)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Balance sheet items</b>		
Bonds and other fixed-interest bearing securities	12 441	0
Shares in affiliated companies	0	0
<b>Total</b>	<b>12 441</b>	<b>0</b>
<b>22 Debt instruments of public authorities and bills which are eligible for refinancing at central banks (TCHF)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Debt instruments of public authorities	414 198	532 880
<b>Total</b>	<b>414 198</b>	<b>532 880</b>
<b>23 Bonds and other fixed-interest bearing securities (TCHF)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Money market paper	1 874	21 710
of which from public sector issuers	0	0
of which from other issuers	1 874	21 710
Bonds	5 131 002	4 628 839
of which from public sector issuers	594 524	477 688
of which from other issuers	4 536 478	4 151 151
of which own bonds	13 269	23 639
<b>Total</b>	<b>5 132 876</b>	<b>4 650 549</b>
<b>24 Due to clients (TCHF)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Savings accounts	694 068	720 812
Other liabilities	20 566 623	19 422 990
<b>Total</b>	<b>21 260 691</b>	<b>20 143 802</b>
<b>25 Securitized liabilities (TCHF)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Issued bonds	2 269 070	2 394 469
of which medium-term notes	56 313	101 848
Other securitized liabilities	0	0
<b>Total</b>	<b>2 269 070</b>	<b>2 394 469</b>
<b>26 Provisions (TCHF)</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Tax provisions	12 655	13 161
Other provisions	9 503	14 313
<b>Total</b>	<b>22 158</b>	<b>27 474</b>

## Notes on off-balance sheet transactions

27 Contingent liabilities (TCHF)	31.12.2021	31.12.2020
Credit guarantees and similar instruments	231 467	177 565
of which for affiliated companies	49 493	26 037
Performance guarantees and similar instruments	7 991 123	7 115 475
of which for affiliated companies	7 908 328	7 034 265
Irrevocable commitments and other contingent liabilities	4 721	4 743
of which for affiliated companies	0	0
<b>Total</b>	<b>8 227 311</b>	<b>7 297 782</b>

### 28 Commitment credits

Liabilities from deferred payments are reported in the balance sheet. There were no acceptance liabilities or other commitment credits at 31 December 2021 and 31 December 2020.

29 Fiduciary transactions (TCHF)	31.12.2021	31.12.2020
Fiduciary investments at third-party banks	312 655	309 986
Fiduciary investments at affiliated banks and investment firms	0	0
Fiduciary loans and other financial transactions in a fiduciary capacity	0	0
of which with affiliated companies	0	0
<b>Total</b>	<b>312 655</b>	<b>309 986</b>

**30 Open derivative financial instruments (TCHF)**

	positive replacement values	Trading instruments negative replacement values	contract volume	positive replacement values	Hedging-Instrumente negative replacement values	contract volume
<b>Interest rate instruments</b>						
Forward contracts incl. FRAs	0	0	0	0	0	0
Swaps	13 959	13 763	1 805 696	21 018	44 752	3 460 168
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
<b>Forex/precious metals</b>						
Forward contracts	597 329	682 711	88 660 074	69 831	149 711	20 222 328
Swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	60 087	38 677	7 057 409	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)	137 276	137 276	3 420 844	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
<b>Total before consideration of the netting contracts</b>						
<b>31.12.2021</b>	<b>808 650</b>	<b>872 427</b>	<b>100 944 023</b>	<b>90 850</b>	<b>194 463</b>	<b>23 682 495</b>
31.12.2020	1 081 005	1 024 983	81 956 544	128 100	441 818	19 651 102
<b>Total after consideration of the netting contracts</b>						
				positive replacement values	negative replacement values	
<b>31.12.2021</b>				<b>338 275</b>	<b>505 665</b>	
31.12.2020				469 856	727 552	

## Notes to the profit and loss account

### 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 (TCHF)	2021	2020
Interest income from bonds	29 713	36 573
Interest income from money market paper	-6 430	2 290
<b>Total</b>	<b>23 283</b>	<b>38 863</b>

33 Negative interest (TCHF)	2021	2020
Negative interest on assets (reduction of interest income)	-66 267	-69 330
Negative interest on liabilities (reduction of interest expense)	35 315	24 189

34 Income from trading transactions (TCHF)	Reported in the P&L under	2021	2020
Interest income from fixed-interest securities	Interest income	28 019	35 240
Interest income from credit derivatives	Interest income	5	18
Trading in foreign exchange and precious metals	Income from financial transactions	83 208	88 501
Securities trading	Income from financial transactions	-13 991	-3 859
Structured products and other income	Income from financial transactions	42 381	39 550
<b>Total</b>		<b>139 622</b>	<b>159 450</b>

35 Personnel expenses (TCHF)	2021	2020
Wages and salaries	241 584	225 457
Social security contributions, pensions and social assistance	29 362	27 867
of which for pensions	10 747	11 481
Other personnel expenses	8 221	8 475
<b>Subtotal</b>	<b>279 168</b>	<b>261 799</b>
Adjustment of liability for Long Term Incentive Scheme	36 311	17 168
<b>Total</b>	<b>315 479</b>	<b>278 967</b>
Emoluments to members of the Executive Board	2 726	4 991
Emoluments to members of the Board of Directors	100	100

36 Operating expenses (TCHF)	2021	2020
Occupancy expense	24 302	26 172
Expenses for IT, machinery, furniture, vehicles and other equipment	100 567	92 616
Other business expenses	197 330	171 830
<b>Total</b>	<b>322 199</b>	<b>290 618</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 Point 44).

No extraordinary items were recorded in the years 2021 and 2020.

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

**38 Income and expenses broken down according to office or branch (TCHF)**

	2021		2020	
	FL	Abroad	FL	Abroad
Interest earned	217 286	32 529	332 393	48 434
Interest paid	-66 986	-4 054	-140 763	-25 731
Current income from securities	848	0	845	0
Income from commission business and services	264 899	232 211	247 873	176 009
Commission paid	-59 558	-18 713	-57 167	-15 771
Income from financial transactions	25 215	71 568	54 842	70 063
Other ordinary income	20 407	23 559	22 220	24 055
Operating expenses	-318 206	-319 472	-299 647	-269 938
Other ordinary expenses	-1 715	-284	-1 721	-524

The break down is based on the domicile of the booking branch.

**39 Return on assets (Net profit as a percentage of total assets)**

	2021	2020
Return on assets	0.15	0.31

## Additional information

40 Securities negotiable on the stock exchange (TCHF)	31.12.2021	31.12.2020
Bonds and other fixed-interest bearing securities	5 132 876	4 650 549
of which listed securities	4 722 839	4 296 988
of which listed and treated as current assets	4 722 839	4 296 988
of which listed and treated as non-current assets	0	0
of which unlisted securities	410 037	353 561
Participations	295	295
of which listed securities	0	0
of which unlisted securities	295	295
Shares in affiliated companies	655	655
of which listed securities	0	0
of which unlisted securities	655	655

41 Other assets (TCHF)	31.12.2021	31.12.2020
Positive replacement values of derivatives	899 500	1 209 106
Due from tax authorities	14 495	3 213
Compensation account	11 011	77 028
Physical holdings of precious metals	1 134 238	1 173 572
Other properties (classified as available for sale)	1 230	1 230
Other assets	23 365	50 380
<b>Total</b>	<b>2 083 839</b>	<b>2 514 529</b>

42 Other liabilities (TCHF)	31.12.2021	31.12.2020
Negative replacement values of derivatives	1 066 890	1 466 801
Coupons	333	333
Long Term Incentive Scheme liability	63 505	42 559
Liabilities personnel administration (excluding Long Term Incentive Scheme)	843	2 646
Clearing accounts	36 082	44 919
Fees	673	631
Liabilities Tax Authorities	21 696	11 013
<b>Total</b>	<b>1 190 023</b>	<b>1 568 903</b>

43 Other ordinary income (TCHF)	2021	2020
Compensation from Group companies	33 997	38 664
Income from real estate	5 919	5 689
Income from the release of provisions	615	313
Remaining other income	3 435	1 609
<b>Total</b>	<b>43 966</b>	<b>46 275</b>

A large component of other ordinary income in the current year is the compensation from other Group companies. 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.

44 Other ordinary expenses (TCHF)	2021	2020
Losses from receivables and guarantees	67	93
Transaction losses	631	1 396
Creation of provisions for other business risks	894	361
Remaining other expenses	406	396
<b>Total</b>	<b>1 999</b>	<b>2 245</b>

See also Point 37

45 Breakdown of client assets (TCHF)	31.12.2021	31.12.2020
<b>Client assets</b>		
Client assets in own-managed funds (investment undertakings)	21 113 033	17 699 734
Client assets under management	21 691 977	16 760 679
Other client assets under administration	70 761 474	65 986 077
<b>Total client assets (including double counting)</b>	<b>113 566 484</b>	<b>100 446 490</b>
of which double counting	10 288 941	8 485 318

#### 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 according to the 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 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 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 TCHF	Headcount	Profit for the year TCHF	Tax on earnings TCHF
<b>Firms</b>						
LGT Bank AG, Zweigniederlassung Österreich	bank	Vienna	62 868	235	-14 345	-39
LGT Bank Ltd., Hongkong Branch	bank	Hong Kong	275 582	427	9 194	5 544
LGT Bank Ltd., Dublin Branch	bank	Dublin	5 815	10	2 053	295

**47 Outstanding bonds**

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

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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 value development 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 show the value development 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 (TCHF)**

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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)

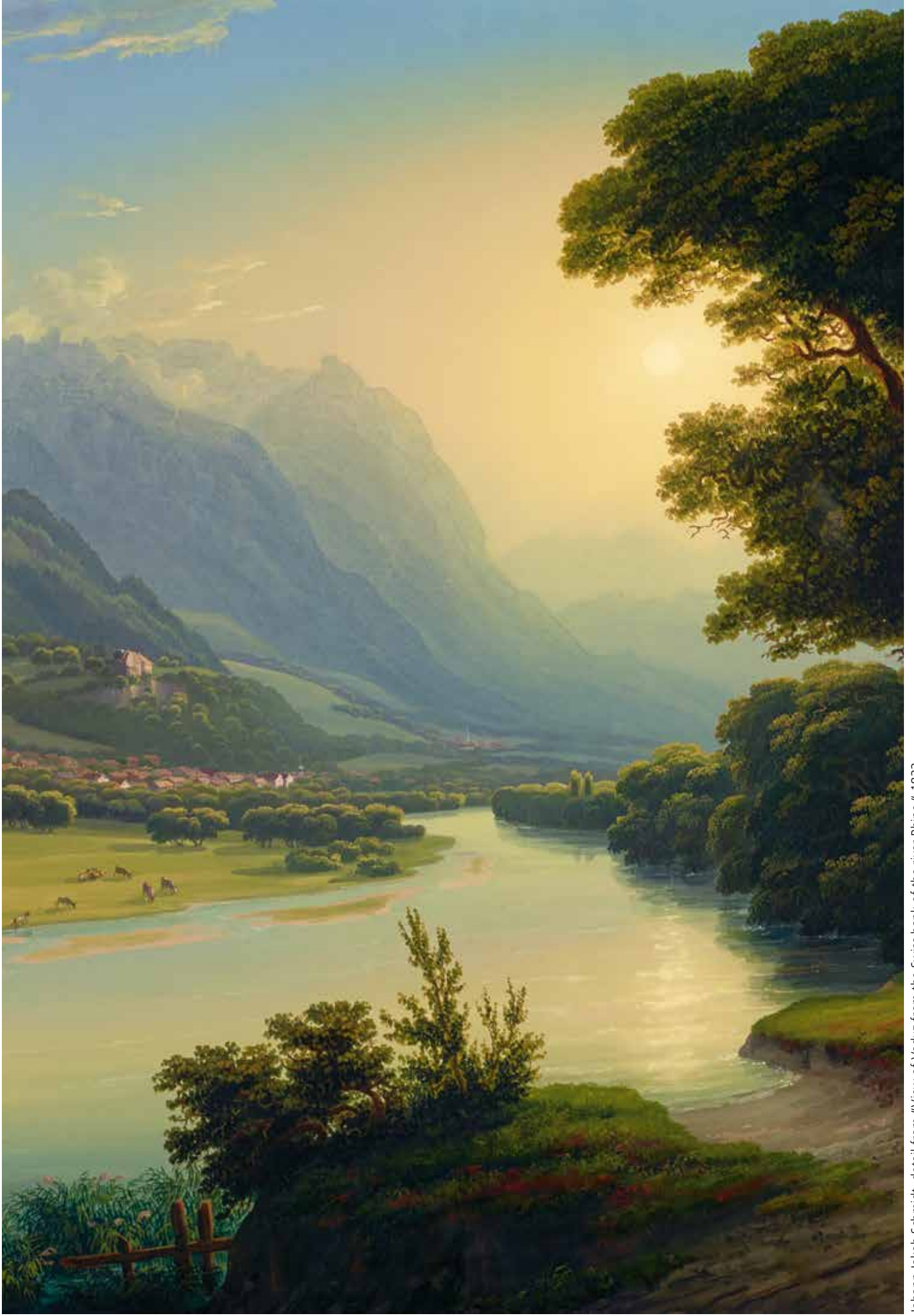
**49 Events after the reporting period**

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Since the Russian invasion of Ukraine at the end of February 2022, the political situation in Europe has been characterized by great uncertainty. In response, the United States, the EU, the United Kingdom, Switzerland, Liechtenstein and other countries around the world have imposed strict sanctions on the Russian financial system, such as restrictions on Russian banks' access to the SWIFT financial messaging service, as well as on Russian government officials and Russian business leaders. LGT Bank Ltd. has set up a special task force that continuously monitors the impact of the situation on its clients, its business activities and on its investments, and initiates appropriate measures. LGT Bank Ltd. is consistently implementing the relevant sanctions. Its financial stability is not affected by the current developments.

LGT Bank Ltd. has no material direct country risk exposure or material reliance on collateral within the Russia, Ukraine or Belarus Lombard portfolio as of 31 December 2021. The imposition of exchange controls, sanctions, market closures or other measures may limit the ability to settle existing transactions or liquidate collateral, which could lead to an unexpected increase in risk. LGT Bank Ltd. is therefore, among other measures, closely monitoring the settlement risk on certain FX transactions (especially in Russian currency) with its correspondent banks. LGT Bank Ltd. notes that these recent developments may have an impact on its financial performance, including credit losses and potential asset impairments. While it currently has no indications of any material loss potential, it is not yet possible to fully estimate the extent of such potential losses at this early stage.





Johann Jakob Schmidt, detail from "View of Vaduz from the Swiss bank of the river Rhine," 1833

# 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 2021, the income statement and the cash flow statement for the year then ended and the notes, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 8 to 40) give a true and fair view of the financial position of the Company and its financial performance for the year ended 31 December 2021 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 32.0 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 loans and advances 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 32.0 million
<b>Benchmark applied</b>	1% of total equity
<b>Rationale for the materiality benchmark applied</b>	We chose total 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 regulator.

### 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 loans and advances to customers

### Key audit matter

We consider the audit of impairment of loans and advances to customers 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 loans and advances to customers

As of 31 December 2021, the Company has CHF 16.2 billion of outstanding loans and advances to customers, of which 0.14% was assessed as impaired.

*Please refer to page 15 to 16 (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 loans and advances to customers and tested their effectiveness. In particular, we tested the relevant IT-based controls.

Further, we tested a sample of loans and advances due to customers 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 customers 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 loans and advances due to customers for which the Company had not identified an impairment event (by reference to the impairment criteria for loans and advances to customers as set out in the Accounting principles on page 15 to 16). 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 loans and advances to customers.

## Valuation of the provisions for other business risks

### 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 2021, the Company has provisions for other business risks in the amount of CHF 2.7 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.

### 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 22 April 2021. 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 that no prohibited non-audit services pursuant to Article 5 in accordance with Article 10 para. 2 lit. f Regulation (EU) No. 537/2014 Article 5 para. 1 Regulation (EU) No. 537/2014 were 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



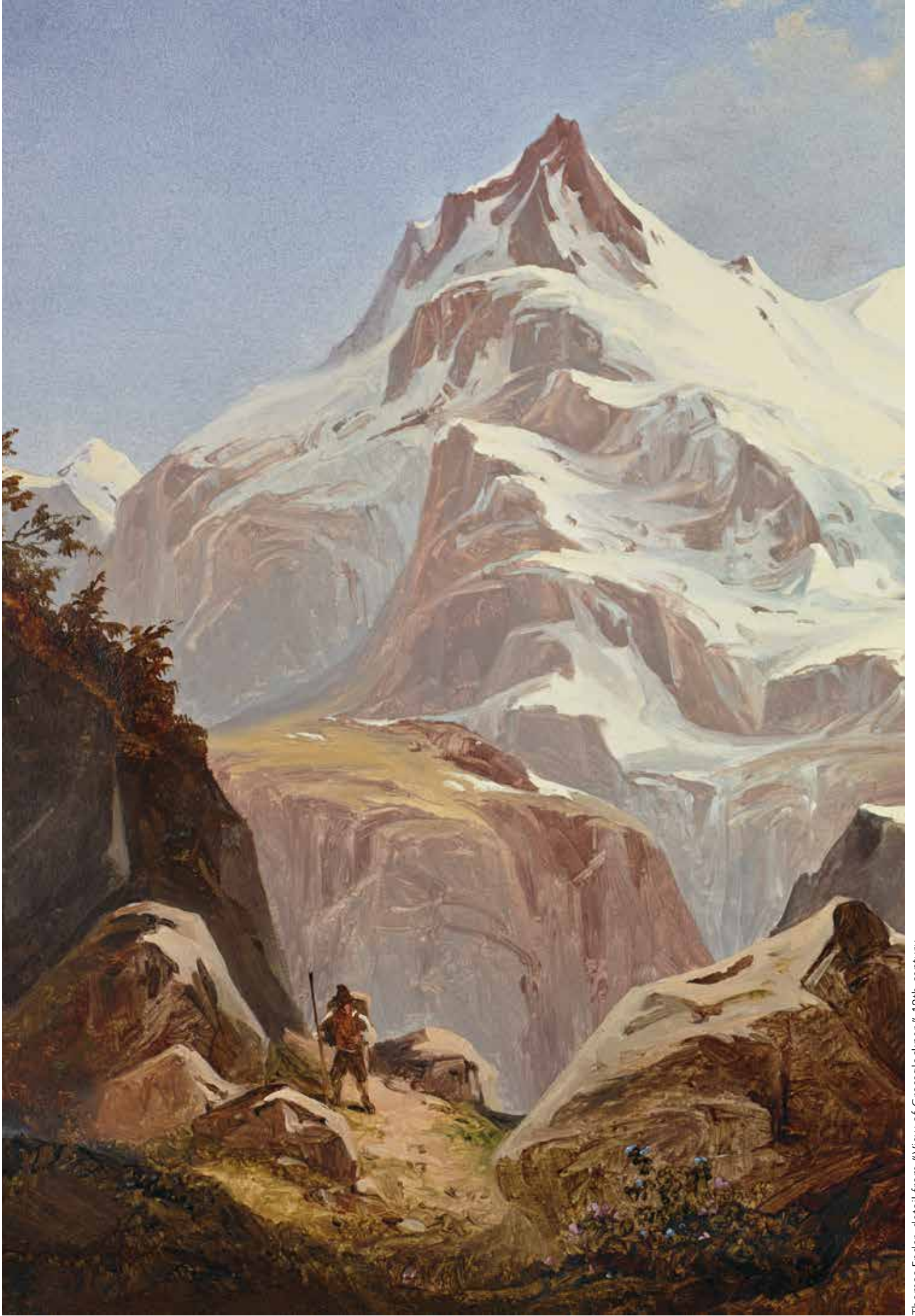
Roman Berlinger  
Liechtenstein Certified Public Accountant  
Auditor in charge



Philipp Gämperle

Zurich, 28 March 2022





Thomas Ender, detail from "View of Grossglockner," 19th century

## International presence

**LGT Private Banking** Austria, *Salzburg, Vienna*  
 Bahrain, *Manama*  
 Hong Kong SAR  
 Ireland, *Dublin*  
 Japan, *Tokyo*  
 Principality of Liechtenstein, *Vaduz*  
 Singapore  
 Switzerland, *Basel, Berne, Geneva, Lugano, Zurich*  
 Thailand, *Bangkok*  
 United Arab Emirates, *Dubai*  
 United Kingdom, *Bristol, Jersey, London*

**LGT Capital Partners** Australia, *Sydney*  
 China, *Beijing*  
 France, *Paris*  
 Germany, *Frankfurt am Main*  
 Hong Kong SAR  
 Ireland, *Dublin*  
 Japan, *Tokyo*  
 Principality of Liechtenstein, *Vaduz*  
 Switzerland, *Pfäffikon*  
 United Arab Emirates, *Dubai*  
 United Kingdom, *London*  
 United States, *New York, Raleigh*

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Josef Höger, detail from "View of Weissenbach am Attersee," around 1836



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