



Private
Banking

Annual Report 2022

LGT Bank Ltd., Vaduz



| Forward-looking
| for generations

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Our culture is the
ideal foundation for
innovation and
sustainable thinking.

Olivier de Perregaux, Chairman of the Board of Directors

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Organizational structure

December 2022

Board of Directors

Olivier de Perregaux, Chairman
Thomas Piske
Gabrielle Nater-Bass
Michael Bürge
Roland Schubert
Hans Roth

Internal Audit

Daniel Hauser

Executive Board

Roland Matt, CEO
Ivo Klein
Markus Werner
Mark Steiner
Florian Dürselen

Statutory Auditor

PricewaterhouseCoopers AG, Zurich

March 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

The financial year in comparison

Balance sheet		2022	2021	Absolute	Change %
Balance sheet total	CHF m	49 588.6	40 521.1	9 067.5	22.4
Shareholders' funds (after profit distribution)	CHF m	3 217.5	3 154.0	63.4	2.0
Client deposit	CHF m	25 489.6	23 529.8	1 959.9	8.3
Due from clients	CHF m	16 417.3	16 216.2	201.2	1.2
Profit and loss account					
Net interest income	CHF m	269.9	178.8	91.1	51.0
Net commission and fee income	CHF m	405.7	418.8	-13.2	-3.1
Income from financial transactions	CHF m	107.6	96.8	10.8	11.2
Gross operating income	CHF m	847.7	739.2	108.5	14.7
Personnel expenses	CHF m	305.1	315.5	-10.4	-3.3
Operating expenses	CHF m	352.2	322.2	30.0	9.3
Result from ordinary business activities	CHF m	153.7	72.2	81.5	113.0
Income tax	CHF m	19.7	12.0	7.6	63.7
Profit for the year	CHF m	134.1	60.2	73.9	122.8
Capital ratio					
Capital ratio	%	18.8	19.1	-0.3	-1.7
Client assets under administration					
Client assets under administration	CHF m	107 993.8	113 566.5	-5 572.6	-4.9
Personnel (full-time equivalents)					
Staff at year-end		1 189	1 144	45	3.9
Rating					
Moody's		Aa2	Aa2		
Standard & Poor's		A+	A+		

Message from the Chairman and CEO

2022 brought major economic and geopolitical challenges. The war in Ukraine took a tragic human toll. The conflict caused a surge in energy prices. Inflation spiked globally, as demand rose sharply after Covid restrictions were eased, and bottlenecks in supply chains persisted.

The financial year was defined by the reversal of nearly three decades of predominantly falling, or even negative, interest rates. The rate hikes from major central banks shook financial markets, with all asset classes seeing substantial losses. Despite these challenging conditions, LGT Bank Ltd. recorded further profitable growth.

Increase in gross profit

Net interest income increased 51 percent year on year to CHF 270 million. This was primarily due to rising interest rates in the second half of the year. In wealth management for private clients, LGT Bank Ltd.'s core business, income from services fell 3.7 percent to CHF 479 million, as a rise in fees from funds and wealth management mandates could not entirely offset a fall in client transaction volume.

Business expenses rose 3.1 percent compared with the prior year to CHF 657 million. Operating expenses increased 9.3 percent to CHF 352 million, in line with business growth. Personnel expenses fell 3.3 percent to CHF 305 million on the back of lower variable wage components. As at the end of 2022, the number of employees rose to 1189 in full-time equivalents (previous year: 1144).

Overall, LGT Bank Ltd. recorded gross operating income of CHF 848 million in 2022, which corresponds to an increase of CHF 109 million. Gross profit increased by CHF 89 million or 88 percent to CHF 190 million. Profit for the year was CHF 74 million higher at CHF 134 million. The balance sheet total rose 22 percent to CHF 49 589 million.

Strong growth in assets under management

Client assets of LGT Bank Ltd. fell 4.9 percent to CHF 108 billion, due mainly to market and investment performance as well as foreign currency effects. Net asset inflows totaled CHF 7.2 billion.

Strong capitalization

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

Outstanding achievements

In 2022, LGT Private Banking once again received accolades for its expertise. LGT Private Banking was awarded best philanthropy offering and best impact offering in Liechtenstein at the first "Wealth for Good" awards of WealthBriefing, a renowned magazine. LGT also excelled at the Global Finance Awards, where it was named best private bank for sustainable investing in western Europe as well as best bank in Liechtenstein. LGT was rated summa cum laude and named best bank in Liechtenstein by Handelsblatt Elite Report. The renowned Fuchsbriefer Report named LGT "Grossmeister" (highest ranking) in the new sustainability ranking and LGT also received the rating "very good," was named best bank in Liechtenstein and ranked sixth-best wealth manager in German-speaking Europe of 79 banks tested. In awards granted by The Banker, an industry publication, LGT won bank of the year in Liechtenstein.

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 2022, Roland Matt took over as CEO of LGT Bank Ltd. and Member of the Senior Management Board of LGT Private Banking. He succeeded Roland Schubert, who was appointed to the Board of Directors of LGT Bank Ltd. On 1 May 2022, Florian Dürselen joined the Executive Board as head of Private Banking for LGT Bank Ltd.

In June, LGT Private Banking created a Group-level governance structure for Europe, Middle East and Africa, with the aim of strengthening collaboration in this region and managing further profitable growth more effectively. LGT Bank Ltd. became part of the new EMEA governance structure on 1 January 2023.

Impact of global events

The war in Ukraine directly impacted the performance of certain client portfolios. LGT Bank Ltd. has not suffered credit losses as a result of the war. Its lending policies are in line with those of Swiss and Liechtenstein peers. LGT's credit teams remain in ongoing contact with compliance counterparties regarding updates to international sanctions in connection with the Ukraine war.

Outlook

Despite the many challenges, LGT Bank delivered exceptionally good results in 2022, which enables us to further invest in strengthening our business. LGT Bank will continue to consistently execute its strategy and is confident that it will achieve further solid growth while remaining able to offer 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. Last year, LGT launched a new advisory offering with sustainable investment solutions to complement its sustainability-focused portfolio management mandates. We have also further invested in digitalization and expanding our investment solutions, and in sustainability at all levels. We will continue our efforts in all of these areas in 2023.

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 Matt, Chief Executive Officer

Balance sheet

Assets (CHF thousands)	Appendix	31.12.2022	31.12.2021	Absolute	Change %
Cash and cash equivalents	16	2 949 026	9 843 542	-6 894 516	-70.0
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	3, 16, 22	5 552 192	414 198	5 137 994	1 240.5
Due from banks	16	16 666 274	6 526 994	10 139 279	155.3
Due from clients	1, 16	16 417 343	16 216 172	201 171	1.2
of which mortgage loans	1, 16	3 122 452	3 171 609	-49 157	-1.5
Bonds and other fixed interest-bearing securities	2, 3, 4, 21, 23, 40	4 939 303	5 132 876	-193 573	-3.8
Equities and other non-fixed-interest securities	2, 3, 4, 40	37 788	0	37 788	
Participations	5, 7, 8, 40	295	295	0	0.0
Shares in affiliated companies	5, 6, 8, 21, 40	4 655	655	4 000	610.7
Intangible assets	8, 9	153 340	182 539	-29 199	-16.0
Tangible assets	8	71 271	71 288	-17	0.0
Other assets	41	2 717 574	2 083 839	633 735	30.4
Accrued income and prepaid expenses		79 568	48 710	30 858	63.3
Total assets		49 588 628	40 521 108	9 067 520	22.4
Liabilities (CHF thousands)					
Due to banks	16	18 581 281	12 447 276	6 134 005	49.3
Due to clients	16, 24	23 098 256	21 260 691	1 837 566	8.6
Securitized liabilities	12, 16, 25	2 391 387	2 269 070	122 318	5.4
Other liabilities	42	2 034 951	1 190 023	844 928	71.0
Accrued expenses and deferred income		166 899	127 613	39 286	30.8
Provisions	13, 16, 26, 37	27 749	22 158	5 591	25.2
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		1 238 345	1 228 419	9 926	0.8
Profit for the year		134 059	60 158	73 900	122.8
Total liabilities		49 588 628	40 521 108	9 067 520	22.4

Important: This is a non-binding English translation of the binding Annual Report published in German.

Off-balance sheet transactions

Off-balance sheet (CHF thousands)	Appendix	31.12.2022	31.12.2021	Absolute	Change %
Contingent liabilities	1, 27	10 793 217	8 227 311	2 565 906	31.2
of which liabilities from guarantees and indemnity agreements as well as from the furnishing of collateral	1, 27	10 793 217	8 227 311	2 565 906	31.2
Credit risks		2 399 861	1 604 930	794 931	49.5
of which irrevocable commitments	1	471 022	295 634	175 388	59.3
of which commitments to subscribe additional contributions for shares or other equity securities	1	1 928 839	1 309 296	619 543	47.3
Derivative financial instruments					
Positive replacement values	30, 41	1 685 246	899 500	785 746	87.4
Negative replacement values	30, 42	1 807 123	1 066 890	740 233	69.4
Contract volume	30	120 088 469	124 626 519	-4 538 050	-3.6
Fiduciary transactions	29	570 145	312 655	257 490	82.4

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Profit and loss account

Profit and loss account (CHF thousands)	Appendix	2022	2021	Absolute	Change %
Interest earned	32, 33, 34	666 012	249 815	416 197	166.6
Interest paid	33	-396 109	-71 040	-325 069	457.6
Net interest income		269 902	178 775	91 127	51.0
Equities and other non-fixed interest securities		0	0	0	0.0
Participations		938	848	90	10.6
Shares in affiliated companies		0	0	0	0.0
Current income from securities		938	848	90	10.6
Commission income from lending business		7 653	6 451	1 202	18.6
Commission income from securities and investment business		454 522	476 411	-21 889	-4.6
Commission from other services		16 528	14 249	2 279	16.0
Income from commission business and services		478 704	497 110	-18 406	-3.7
Commission paid		-73 039	-78 271	5 232	-6.7
Net commission and fee income		405 664	418 839	-13 175	-3.1
Income from financial transactions		107 587	96 783	10 804	11.2
of which from trading	34	117 694	111 598	6 096	5.5
Other ordinary income	43	63 657	43 966	19 691	44.8
Gross operating income		847 749	739 212	108 537	14.7
Personnel expenses	35	-305 127	-315 479	10 352	-3.3
Operating expenses	36	-352 167	-322 199	-29 968	9.3
Business expenses		-657 294	-637 678	-19 616	3.1
Gross profit		190 455	101 534	88 921	87.6
Amortization of intangible assets and depreciation of tangible assets		-34 117	-28 009	-6 108	21.8
Other ordinary expenses	37, 44	-1 979	-1 999	20	-1.0
Value adjustments on receivables and funds allocated to provisions for contingent liabilities and credit risks		-11 620	-12 377	757	-6.1
Income from the release of value adjustments on receivables and from provisions for credit risks		10 970	13 014	-2 044	-15.7
Result on ordinary business activity		153 708	72 164	81 546	113.0
Income tax		-19 650	-12 005	-7 645	63.7
Profit for the year		134 059	60 158	73 901	122.8

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Appropriation of net profit

Appropriation of net profit – proposal of the Board of Directors to the general meeting of shareholders (CHF thousands)	2022	2021
Profit for the year	134 059	60 158
Profit carried forward	1 238 345	1 228 419
Accumulated profit for the year	1 372 404	1 288 577
Profit distribution		
Allocation to legal reserves	0	0
Allocation to statutory reserves	0	0
Allocation to other reserves	0	0
Dividend on company capital	70 616	50 232
Other profit distribution	0	0
Profit carried forward	1 301 788	1 238 345

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Flow of funds statement

Flow of funds statement (CHF thousands)

	Source of funds	2022 Application of funds	Source of funds	2021 Application of funds
Flow of funds from operating result (internal financing)				
Profit for the year	134 059		60 158	
Depreciation of non-current assets	33 995	1 132	28 009	2 037
Value adjustments and provisions	5 591			5 316
Accrued income and prepaid expenses		30 858		2 540
Accrued expenses and deferred income	39 286		2 165	
Other positions				
Previous-year dividend		50 232		100 464
Balance	130 709			20 025
Flow of funds from changes to non-current assets				
Participations				
Shares in affiliated companies		4 000		
Securities and precious metals as non-current assets			1 209	54
Intangible assets	2 906		176	105 874
Properties	353	6 917	4 979	10 179
Other tangible assets	769	760	1 646	1 830
Balance		7 649		109 927
Flow of funds from banking operations				
Medium and long-term business (> 1 year)				
Due to banks	20 641		49 018	
Due to clients	68 469			2 172
Bonds		128 590	265 735	
Medium-term notes	20 235			34 116
Other liabilities	200 572			32 909
Due from banks	33 153			72 285
Due from clients (excl. mortgage loans)	31 864			118 371
Mortgage loans	40 759		7 419	
Other receivables		256 012	140 119	838
Short-term business (≤ 1 year)				
Due to banks	6 113 364		396 015	
Due to clients	1 769 098		1 119 059	
Other liabilities	875 029			702 987
Due from banks		10 172 434		31 155
Due from clients		273 793		434 273
Trading positions in securities and precious metals	219 703			94 942
Securities and precious metals held as current assets (excl. trading positions)		5 068 065		230 172
Other receivables		511 567	252 075	
Liquid funds				
Cash and cash equivalents	6 894 516			345 268
Balance		123 058	129 952	
Total	130 709	130 709	129 952	129 952

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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 and since 2022 in Munich. The bank has representative offices in Bahrain, Geneva, Lugano and Zurich.

As at 31 December 2022, LGT Bank Ltd. had 1189 employees in full-time equivalents (2021: 1144). In 2022, the average number of employees was 1163 (2021: 1102).

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 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 (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

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	31.12.2022	31.12.2021
1 EUR	0.9871	1.0361
1 USD	0.9254	0.9111
1 GBP	1.1130	1.2342
1 SGD	0.6898	0.6758
1 HKD	0.1186	0.1169
100 JPY	0.7009	0.7914

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 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 overdue. Interest which has been outstanding for more than 90 days is considered overdue. Overdue 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 profit and loss account.

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 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 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 recognized 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 recognized 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 recognized in the income statement, with the exception of impairment reversals. Losses on hedging transactions are also not recognized 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 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 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 analyzed 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.





Notes to the balance sheet

1 Overview of collateral (CHF thousands)

		Mortgage-backed	Other collateral	Without collateral	Total
Advances					
Due from clients (excl. mortgage loans)		170 544	9 380 627	3 743 720	13 294 891
Mortgage loans		3 122 452	0	0	3 122 452
Residential properties		2 658 154	0	0	2 658 154
Office and business premises		226 987	0	0	226 987
Commercial and industrial premises		114 252	0	0	114 252
Other		123 059	0	0	123 059
Total	31.12.2022	3 292 996	9 380 627	3 743 720	16 417 343
	31.12.2021	3 348 557	10 331 509	2 536 106	16 216 172

Off-balance sheet transactions

Contingent liabilities		1 157	256 589	10 535 471	10 793 217
Irrevocable commitments		29 705	181 842	259 475	471 022
Commitments to subscribe additional contributions for shares or other equity securities		0	847 985	1 080 854	1 928 839
Total	31.12.2022	30 862	1 286 417	11 875 800	13 193 079
	31.12.2021	23 503	914 205	8 894 534	9 832 241

Impaired due amounts (CHF thousands)

		Gross amount due	Estimated realization value of collateral	Net amount due	Specific value adjustments
31.12.2022		24 197	14 296	9 900	9 900
31.12.2021		23 928	13 023	10 905	10 905

2 Trading positions (CHF thousands)

	31.12.2022	Book value 31.12.2021	31.12.2022	Cost 31.12.2021	31.12.2022	Market value 31.12.2021
Trading positions comprising securities and precious metals						
Debt instruments	1 260 916	1 347 543	1 358 563	1 400 170	1 260 916	1 347 543
listed (traded on a recognized exchange)	833 871	1 033 059	902 067	1 072 722	833 871	1 033 059
unlisted	427 044	314 484	456 496	327 449	427 044	314 484
of which own bonds and medium-term notes	13 987	13 269	15 367	13 509	13 987	13 269
Equity paper	772	0	777	0	772	0
Precious metals	999 993	1 133 840	1 000 056	1 133 840	999 993	1 133 840
Total	2 261 680	2 481 383	2 359 396	2 534 010	2 261 680	2 481 383
of which central bank-eligible securities (eligible for repo transactions)	0	3 453	0	3 467	0	3 453

3	Securities and precious metals held as current assets (excl. trading positions) (CHF thousands)	31.12.2022	Book value 31.12.2021	31.12.2022	Cost 31.12.2021	31.12.2022	Market value 31.12.2021
	Debt instruments	9 230 580	4 199 531	9 453 471	4 343 066	9 231 037	4 232 264
	Equity paper	37 016	0	39 592	0	37 016	0
	Precious metals	0	0	0	0	0	0
	Total	9 267 596	4 199 531	9 493 063	4 343 066	9 268 054	4 232 264
	of which eligible as security for central bank borrowings	6 942 661	2 104 544	7 070 746	2 159 612	6 942 686	2 115 691

4	Securities and precious metals held as non-current assets (CHF thousands)	31.12.2022	Book value 31.12.2021	31.12.2022	Cost 31.12.2021	31.12.2022	Market value 31.12.2021
	Debt instruments	0	0	0	0	0	0
	Equity paper	0	0	0	0	0	0
	Precious metals	400	398	781	781	498	490
	Total	400	398	781	781	498	490
	of which eligible as security for central bank borrowings	0	0	0	0	0	0

5 Participations and shares in affiliated companies (CHF thousands)		31.12.2022	31.12.2021
Participations			
	with market value	0	0
	without market value	295	295
	Total	295	295
Shares in affiliated companies			
	with market value	0	0
	without market value	4 655	655
	Subordinated claims against affiliated companies	0	0
	Total	4 655	655

6	Affiliated companies	Business activity	Share capital	% share of votes	% share of capital	Business result CHF thousands
Banks and investment firms						
	LGT Bank (Cayman) Ltd., Georgetown	Bank	USD 600 000	100	83	-28
Other						
	LGT PB Fund Solutions Ltd., Vaduz	Asset management	CHF 1 000 000	100	100	-64
	LGT Fund Management Company Ltd., Vaduz	Asset management	CHF 3 000 000	100	100	1 865

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 2022, the shares reported under the shares in affiliated companies item amounted to CHF 4.7 million (2021: CHF 0.7 million).

LGT PB Fund Solutions Ltd. was founded in 2022, and LGT Fund Management Company Ltd. was acquired in 2022.

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 31.12.2021
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	781	-383	398
Total intangible assets	260 232	-77 694	182 539
Properties			
Bank premises	222 943	-154 462	68 482
Other properties	9 616	-9 616	0
Other tangible assets	11 222	-8 415	2 807
Total tangible assets	243 781	-172 493	71 288
Fire insurance value of properties			224 606
Fire insurance value of other tangible assets			11 484
Real estate intended for sale (not included in the statement of changes in non-current assets)			1 230

No reclassifications were undertaken in 2022. The amounts in the "Reclassifications" column are attributable to currency differences.

9 Intangible assets

At 31 December 2022, this item included capitalized software licenses amounting CHF 0.003 million (31.12.2021: CHF 0.009 million).
At 31 December 2022, this item also included goodwill and other acquired intangible assets amounting to CHF 153.3 million (31.12.2021: CHF 182.5 million). These are depreciated over a ten-year period.

10 Pledged or assigned assets and assets subject to reservation of ownership (CHF thousands)

	31.12.2022	31.12.2021
Pledged or assigned assets and assets subject to reservation of ownership, without securities lending or repurchase transactions		
Book value of pledged or assigned (assigned as collateral) assets	376 548	267 401
Actual liabilities	92 903	101 464
There are no assets subject to reservation of ownership.		
Securities lending and repurchase transactions		
Receivables from cash deposits in connection with securities borrowing and reverse repurchase transactions	12 875 840	2 592 326
Liabilities from cash deposits in connection with securities lending and repurchase transactions	190 824	10 000
Own securities lent or provided as collateral within the scope of securities lending, borrowing transactions and transferred from repurchase transactions	193 933	0
of which capable of being resold or pledged without restrictions	193 933	0
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	12 928 435	2 596 737
of which resold or further pledged securities	0	11 742

Investments	Disinvestments	Reclassifications	Write-ups	Depreciation	Book value 31.12.2022
0	0	0	0	0	295
4 000	0	0	0	0	4 655
0	0	0	2	0	400
0	-90	-2 815	92	-26 385	153 340
6 917	-338	-15	326	-6 197	69 175
0	0	0	0	0	0
760	-722	-48	712	-1 413	2 097
7 677	-1 060	-62	1 038	-7 611	71 271
					228 620
					9 733
	-1 230				0

11 Liabilities in respect of own pension funds (CHF thousands)	31.12.2022	31.12.2021
Total liabilities	35 461	31 552

12 Outstanding bonds at 31.12.2022	Interest rate %	Year of issue	Earliest redemption date	Currency	CHF thousands
LGT GIM Index Certificates II	0.0	ongoing	30.06.2024	EUR	101 853
LGT GIM Index Certificates II/2	0.0	ongoing	31.03.2026	EUR	19 897
LGT GIM Index Certificates III	0.0	ongoing	31.07.2026	EUR	61 918
Crown Absolute Return Index Certificates	0.0	ongoing	30.11.2023	EUR	2 237
1.875% bond LGT Bank Ltd. 2013 – 8.2.2023	1.875	2013	08.02.2023	CHF	299 983
0.625% bond LGT Bank Ltd. 2015 – 25.11.2025	0.625	2015	25.11.2025	CHF	300 277
0.2% bond LGT Bank Ltd. 2016 – 12.10.2026	0.2	2016	12.10.2026	CHF	349 976
0.5% bond LGT Bank Ltd. 2017 – 12.05.2027	0.5	2017	12.05.2027	CHF	275 757
0.375% bond LGT Bank Ltd. 2019 – 5.7.2028	0.375	2019	05.07.2028	CHF	149 758
0.375% bond LGT Bank Ltd. 2019 – 15.11.2029	0.375	2019	15.11.2029	CHF	159 883
0.2% bond LGT Bank Ltd. 2020 – 4.11.2030	0.2	2020	04.11.2030	CHF	224 505
0.45% bond LGT Bank Ltd. 2021 – 29.07.2031	0.45	2021	29.07.2031	CHF	200 243
2.75% bond LGT Bank Ltd. 2022 – 29.09.2032	2.75	2022	29.09.2032	CHF	199 696

For product explanations see note 47 on page 42.

13 Value adjustments and provisions (CHF thousands)	Status 31.12.2021	Application	Recoveries, overdue interest, currency differences	New allocations out of P/L account	Releases to P/L account	Status 31.12.2022
Value adjustments for default risks						
Specific value adjustments	10 905	-993	-48	377	-340	9 900
Portfolio value adjustments	12 019	0	-130	10 831	-10 543	12 177
Provisions for contingent liabilities and credit risks	3 843	0	-22	413	-87	4 147
Provisions for other business risks	2 722	0	29	419	0	3 169
Provisions for taxes and deferred taxes	12 655	-15 596	343	19 108	0	16 509
Other provisions	2 938	0	-99	1 117	-35	3 923
Total value adjustments and provisions	45 082	-16 589	73	32 265	-11 005	49 826
less:						
Value adjustments	-22 924					-22 077
Total provisions as per the balance sheet	22 158					27 749

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	31.12.2022 Capital entitled to a dividend	Total nominal value	Number of shares	31.12.2021 Capital entitled to a dividend
Share capital	291 201	2 912 008	291 201	291 201	2 912 008	291 201
Total	291 201	2 912 008	291 201	291 201	2 912 008	291 201

No authorized capital or contingent capital exists.

Major shareholders and groups of shareholders linked by voting rights	Nominal	31.12.2022 %	Nominal	31.12.2021 %
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 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 (CHF thousands)

Equity capital at the start of the business year	
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
Total equity capital at the start of the business year (prior to profit distribution)	3 204 278
+/- capital increase/capital reduction	0
+ premium	0
- Release of provisions for general banking risks	0
- dividend from the previous year's profit	-50 232
+ annual profit for the business year	134 059
Total equity capital at the end of the business year (prior to profit distribution)	3 288 105
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	1 372 404

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

Cash and cash equivalents		2 949 026	–
Due from banks		1 539 418	–
Due from clients		59 501	748 908
of which mortgage loans		902	33 515
Trading positions comprising securities and precious metals		2 261 680	–
Debt instruments and precious metals held as current assets (excl. trading positions)		3 715 403	–
of which debt instruments of public authorities and bills eligible for refinancing at central banks		–	–
Securities and precious metals held as non-current assets		400	–
Other assets		214 520	87 117
Total assets	31.12.2022	10 739 948	836 025
	31.12.2021	17 652 937	783 701

Liabilities and provisions

Due to banks		6 329 846	6 087 231
Due to clients		9 590 312	7 067 059
Savings accounts		–	622 573
Other liabilities to clients		9 590 312	6 444 486
Securitized liabilities		–	–
Issued bonds		–	–
of which medium-term notes		–	–
Other securitized liabilities		–	–
Provisions (excl. provisions for general banking risks)		27 749	–
Other liabilities		372 592	87 670
Total liabilities and provisions	31.12.2022	16 320 499	13 241 960
	31.12.2021	20 664 393	9 827 444

Of the securities reported in the balance sheet under bonds and other fixed interest-bearing securities, instruments amounting to CHF 1350.8 million will become due in 2023 (2022: CHF 1853.4 million). Issued bonds due in 2023 amount to CHF 306.6 million (2022: CHF 75.9 million).

Due within 3 months	Due between 3 to 12 months	Due between 12 months to 5 years	Due after 5 years	Immobilized	Total
–	–	–	–	–	2 949 026
13 536 284	709 942	584 395	296 235	–	16 666 274
13 616 858	1 028 175	678 991	284 910	–	16 417 343
2 070 021	279 736	468 798	269 480	–	3 122 452
–	–	–	–	–	2 261 680
4 996 707	555 485	–	–	–	9 267 596
4 996 707	555 485	–	–	–	5 552 192
–	–	–	–	–	400
1 079 413	283 126	228 827	62 035	71 271	2 026 310
33 229 263	2 576 728	1 492 213	643 181	71 271	49 588 628
17 916 602	2 086 223	1 326 420	682 707	72 518	40 521 108
4 749 505	1 038 458	192 941	183 300	–	18 581 281
5 203 889	1 160 456	76 541	–	–	23 098 256
–	–	–	–	–	622 573
5 203 889	1 160 456	76 541	–	–	22 475 684
300 665	5 941	1 141 892	942 889	–	2 391 387
300 665	5 941	1 141 892	942 889	–	2 391 387
682	3 704	32 215	8 804	–	45 404
–	–	–	–	–	–
–	–	–	–	–	27 749
1 101 167	317 232	254 166	69 023	–	2 201 850
11 355 225	2 522 087	1 665 540	1 195 212	–	46 300 524
3 627 133	518 434	1 416 191	1 263 234	–	37 316 830

17 Transactions with closely associated persons (CHF thousands)

	31.12.2022	31.12.2021
Claims on affiliated companies		
Due from banks	1 357 403	1 642 348
Due from clients	5 987 865	5 969 224
of which due from qualified participants	5 136 289	5 329 081
Total	7 345 268	7 611 572
Liabilities to affiliated companies		
Due to banks	14 061 238	10 766 283
Due to clients	915 486	678 845
of which due to qualified participants	59 556	23 106
Securitized liabilities	0	0
Total	14 976 724	11 445 128
Loans to governing bodies		
Members of the Board of Directors	500	0
Members of the Executive Board	8 273	6 286
Members of the governing bodies of the parent company	3 123	2 523
Total	11 896	8 809
Claims and liabilities to Prince of Liechtenstein Foundation (qualified participant)		
Due from clients	2 508	2 785
Due to clients	7 674	127 397

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	2022	2021
LGT Group Holding Ltd., Vaduz			
Interest earned	Debit interest	6 027	3 557
Other ordinary income	Income from real estate	1 756	1 269
Operating expenses	Services for accounting/controlling, internal audit, compliance, HR, marketing, risk controlling, legal & tax, property insurance, management services, logo fee	102 801	85 698
LGT Group Foundation, Vaduz			
Interest earned	Debit interest	15 126	9 912
Operating expenses	Logo fee, marketing	110	9 880
Contingent liabilities	Guarantees	61 046	–
LGT Bank (Switzerland) Ltd., Basel			
Interest earned	Debit interest, negative debit interest	5 704	3 986
Interest paid	Credit interest, negative credit interest	120 986	12 313
Commission income	Brokerage fees, custody fees	17 051	15 278
Commission paid	Client advisory services, investment management	5 750	5 911

Counterparty	Type(s) of transaction	2022	2021
Other ordinary income	Loan administration, management services, trading administration	10 129	10 196
Personnel expenses	Staff interchange	726	1 868
Operating expenses	Income from real estate, services for IT, marketing, investment services	10 572	8 676
Contingent liabilities	Guarantees	134	27 259
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	358 655	266 812
LGT Bank (Singapore) Ltd., Singapore			
Interest earned	Debit interest, negative debit interest	1 368	8 124
Interest paid	Credit interest, negative credit interest	23 197	1 743
Commission income	Brokerage fees, custody fees	92 387	89 717
Commission paid	Client advisory services, investment management	8 162	6 147
Other ordinary income	Loan administration, management services, investment services, front support services, staff interchange	17 459	18 045
Operating expenses	Trading administration, IT, investment services	27 724	22 665
Contingent liabilities	Guarantees	10 102 265	7 918 246
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	435 238	272 204
LGT Capital Partners (FL) Ltd., Vaduz			
Commission income	Distribution fees	81 808	83 236
LGT Capital Partners Ltd., Pfäffikon			
Interest paid	Negative credit interest	-1 610	-1 549
Commission paid	Portfolio management	1 047	1 114
Operating expenses	Logo fee	29	1 623
LGT Capital Partners (Ireland) Ltd., Dublin			
Commission income	Distribution fees, operation fees	7 647	5 511
Other ordinary income	Income from real estate, services for IT, legal, accounting, facility	571	625
LGT Capital Partners (Asia-Pacific) Ltd., Hong Kong			
Other ordinary income	Income from real estate, services for accounting, facility, IT, HR	2 161	2 427
LGT investment management companies			
Interest earned	Debit interest	1 657	1 099
Commission income	Distribution fees, custody fees	8 818	5 742
Other ordinary income	Income from real estate, services for IT, facility, accounting, HR, legal, other	3 448	3 117
Contingent liabilities	Guarantees	–	9 576
LGT (Middle East) Ltd., Dubai			
Commission paid	Client advisory services	2 902	2 767

Counterparty	Type(s) of transaction	2022	2021
LGT Financial Services Ltd., Vaduz			
Operating expenses	Facility management, property management, services for IT, payment transactions, securities administration	129 455	121 766
Other ordinary income	Income from real estate, services for IT	3 719	2 474
LGT Global Invest Ltd., Georgetown			
Interest earned	Debit interest	357	572
Commitments to subscribe additional contributions for shares or other equity securities	Payment commitments	2 936	–
LGT Investment Management (Asia) Ltd., Hong Kong			
Other ordinary income	Management services, investment services, accounting, compliance, staff expenses, IT	1 976	1 814
Personnel expenses	Staff interchange	1 992	–
Contingent liabilities	Guarantees	2 773	2 731
LGT Capital Invest Mauritius PCC, Mauritius			
Operating expenses	Logo fee	–	6 849
LGT Certificates Ltd., Cayman			
Commission income	Distribution fees	2 800	3 417
LGT Wealth Management UK LLP, London			
Other ordinary income	Consulting, staff interchange	816	25
LGT UK Holdings Ltd., London			
Interest earned	Debit interest	999	540
Contingent liabilities	Guarantees	109 945	–
LGT Securities (Thailand) Ltd., Bangkok			
Other ordinary income	Management services, investment services, services for IT, HR, product control	1 313	1 000
LGT Holding (Australia) Pty. Ltd., Sydney			
Interest earned	Debit interest	2 216	–
Commission income	Lending business	684	–
Contingent liabilities	Guarantees	245 244	–
Credit risks	Irrevocable commitments	38 152	–
Crestone Wealth Management Ltd., Sydney			
Interest earned	Debit interest	1 098	–
LGT Wealth Management Trust Inc., Tokyo			
Other ordinary income	Income from staff interchange, investment and management services, client administration services, security, audit	1 480	–

18 Breakdown of balance sheet according to domicile (CHF thousands)

	31.12.2022		31.12.2021	
	Domestic	Abroad	Domestic	Abroad
Assets				
Cash and cash equivalents	2 854 488	94 538	8 029 006	1 814 536
Debt instruments of public authorities and bills which are eligible for refinancing at central banks	5 493 720	58 472	200 239	213 959
Due from banks	13 169 135	3 497 139	5 092 483	1 434 511
Due from clients (excl. mortgage loans)	6 402 047	6 892 844	6 535 482	6 509 082
Mortgage loans	2 307 077	815 375	2 360 307	811 301
Bonds and other fixed interest-bearing securities	304 933	4 634 370	416 252	4 716 624
Equities and other non-fixed-interest securities	772	37 016	0	0
Participations	66	229	66	229
Shares in affiliated companies	4 000	655	0	655
Intangible assets	0	153 340	0	182 539
Tangible assets	66 669	4 602	65 403	5 885
Other assets	772 129	1 945 444	905 390	1 178 449
Accrued income and prepaid expenses	23 666	55 902	13 667	35 043
Total assets	31 398 701	18 189 927	23 618 295	16 902 813
Liabilities				
Due to banks	13 499 224	5 082 057	10 303 246	2 144 030
Due to clients (excl. savings accounts)	7 891 889	14 583 795	8 396 411	12 170 212
Savings accounts	473 801	148 772	503 110	190 958
Securitized liabilities	2 391 387	0	2 269 070	0
Other liabilities	958 963	1 075 988	515 170	674 853
Accrued expenses and deferred income	71 710	95 189	49 647	77 966
Provisions	20 802	6 947	9 593	12 565
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	1 238 345	0	1 228 419	0
Profit for the year	132 322	1 737	63 256	-3 098
Total liabilities	28 594 143	20 994 485	25 253 622	15 267 486

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

	31.12.2022		31.12.2021	
	CHF thousands	%	CHF thousands	%
Country				
Liechtenstein	7 873 933	15.9	7 867 359	19.4
Switzerland	23 524 768	47.4	15 750 936	38.9
Europe excl. Liechtenstein/Switzerland	10 898 984	22.0	10 190 650	25.1
North America	1 318 858	2.7	1 044 128	2.6
Caribbean	1 724 657	3.5	1 915 489	4.7
Latin America	65 402	0.1	88 658	0.2
Africa	82 877	0.2	81 320	0.2
Asia	3 221 342	6.5	2 989 195	7.4
Oceania	877 808	1.8	593 373	1.5
Total assets	49 588 628	100.0	40 521 108	100.0

20 Breakdown of balance sheet according to currencies (CHF thousands)	CHF	EUR	USD	Other	31.12.2022 Total
Assets					
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
Total assets	30 746 403	6 794 343	7 474 158	4 573 724	49 588 628
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
Total assets	49 170 779	23 326 206	61 315 821	25 321 125	159 133 931
Liabilities					
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
Total liabilities	16 258 218	8 858 644	19 333 885	5 137 881	49 588 628
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
Total liabilities	49 331 540	23 345 405	61 495 630	25 320 928	159 493 504
Net position per currency	-160 761	-19 200	-179 809	197	-359 573

Breakdown of balance sheet according to currencies (CHF thousands)	CHF	EUR	USD	Other	31.12.2021 Total
Assets					
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
Total assets	21 985 971	6 533 114	6 966 132	5 035 891	40 521 108
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
Total assets	42 212 159	26 686 203	59 491 225	25 386 375	153 775 962
Liabilities					
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
Total liabilities	12 297 570	7 250 865	16 009 811	4 962 862	40 521 108
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
Total liabilities	42 396 232	26 679 282	59 554 051	25 302 280	153 931 845
Net position per currency	-184 073	6 921	-62 826	84 094	-155 883

21 Subordinated assets (CHF thousands)	31.12.2022	31.12.2021
Balance sheet items		
Bonds and other fixed interest-bearing securities	0	12 441
Shares in affiliated companies	0	0
Total	0	12 441

22 Debt instruments of public authorities and bills which are eligible for refinancing at central banks (CHF thousands)	31.12.2022	31.12.2021
Debt instruments of public authorities	5 552 192	414 198
Total	5 552 192	414 198

23 Bonds and other fixed interest-bearing securities (CHF thousands)	31.12.2022	31.12.2021
Money market paper	1 566	1 874
of which from public sector issuers	0	0
of which from other issuers	1 566	1 874
Bonds	4 937 737	5 131 002
of which from public sector issuers	495 138	594 524
of which from other issuers	4 442 599	4 536 478
of which own bonds	13 987	13 269
Total	4 939 303	5 132 876

24 Due to clients (CHF thousands)	31.12.2022	31.12.2021
Savings accounts	622 573	694 068
Other liabilities	22 475 684	20 566 623
Total	23 098 256	21 260 691

25 Securitized liabilities (CHF thousands)	31.12.2022	31.12.2021
Issued bonds	2 391 387	2 269 070
of which medium-term notes	45 404	56 313
Other securitized liabilities	0	0
Total	2 391 387	2 269 070

26 Provisions (CHF thousands)	31.12.2022	31.12.2021
Tax provisions	16 509	12 655
Other provisions	11 239	9 503
Total	27 749	22 158

Notes to off-balance sheet transactions

27 Contingent liabilities (CHF thousands)	31.12.2022	31.12.2021
Credit guarantees and similar instruments	611 582	231 467
of which for affiliated companies	424 789	49 493
Performance guarantees and similar instruments	10 177 086	7 991 123
of which for affiliated companies	10 096 627	7 908 328
Irrevocable commitments and other contingent liabilities	4 549	4 721
of which for affiliated companies	0	0
Total	10 793 217	8 227 311

28 Commitment credits

Liabilities from deferred payments are reported in the balance sheet. There were no acceptance or credit commitments at 31 December 2022 or 31 December 2021.

29 Fiduciary transactions (CHF thousands)	31.12.2022	31.12.2021
Fiduciary investments at third-party banks	434 011	312 655
Fiduciary investments at affiliated banks and investment firms	0	0
Fiduciary loans and other financial transactions in a fiduciary capacity	136 134	0
of which with affiliated companies	0	0
Total	570 145	312 655

**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
Interest rate instruments						
Forward contracts incl. FRAs	0	0	0	0	0	0
Swaps	35 834	35 747	1 701 365	244 230	17 382	4 066 899
Futures	0	0	0	0	0	0
Options (OTC)	0	0	0	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
Forex/precious metals						
Forward contracts	1 218 955	1 256 096	87 018 251	27 654	336 869	18 567 973
Swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	61 415	63 870	6 966 365	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
Equity securities/indices						
Forward contracts	0	0	0	0	0	0
Swaps	0	0	0	0	0	0
Futures	0	0	0	0	0	0
Options (OTC)	97 159	97 159	1 767 617	0	0	0
Options (exchange-traded)	0	0	0	0	0	0
Total before consideration of netting contracts						
31.12.2022	1 413 362	1 452 872	97 453 597	271 884	354 251	22 634 872
31.12.2021	808 650	872 427	100 944 023	90 850	194 463	23 682 495
Total after consideration of netting contracts						
	Positive replacement values			Negative replacement values		
31.12.2022	778 208			900 085		
31.12.2021	338 275			505 665		

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 (CHF thousands)

	2022	2021
Interest income from bonds	56 247	29 713
Interest income from money market paper	7 849	-6 430
Total	64 096	23 283

33 Negative interest (CHF thousands)

	2022	2021
Negative interest on assets (reduction of interest income)	-49 760	-66 267
Negative interest on liabilities (reduction of interest expense)	22 370	35 315

34 Income from trading transactions (CHF thousands)

	Reported in the P&L under	2022	2021
Interest income from fixed interest securities	Interest income	31 868	28 019
Interest income from credit derivatives	Interest income	0	5
Trading in foreign exchange and precious metals	Income from financial transactions	116 234	83 208
Securities trading	Income from financial transactions	-22 009	-13 991
Structured products and other income	Income from financial transactions	23 469	42 381
Total		149 562	139 622

35 Personnel expenses (CHF thousands)

	2022	2021
Wages and salaries	256 888	241 584
Social security contributions, pensions and social assistance	32 895	29 362
of which for pensions	13 648	10 747
Other personnel expenses	10 362	8 221
Subtotal	300 145	279 168
Adjustment of liability for Long-Term Incentive Scheme	4 982	36 311
Total	305 127	315 479
Emoluments to members of the Executive Board	3 301	2 726
Emoluments to members of the Board of Directors	50	100

36 Operating expenses (CHF thousands)

	2022	2021
Occupancy expense	25 719	24 302
Expenses for IT, machinery, furniture, vehicles and other equipment	109 125	100 567
Other business expenses	217 323	197 330
Total	352 167	322 199

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 2022 or 2021.

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)	2022		2021	
	FL	Abroad	FL	Abroad
Interest earned	577 271	88 741	217 286	32 529
Interest paid	-327 117	-68 992	-66 986	-4 054
Current income from securities	938	0	848	0
Income from commission business and services	248 218	230 486	264 899	232 211
Commission paid	-55 228	-17 811	-59 558	-18 713
Income from financial transactions	60 473	47 114	25 215	71 568
Other ordinary income	37 685	25 972	20 407	23 559
Operating expenses	-328 025	-329 269	-318 206	-319 472
Other ordinary expenses	-1 715	-264	-1 715	-284

The breakdown is based on branch location.

39 Return on assets (net profit as a percentage of total assets)	2022	2021
Return on assets	0.27	0.15

Additional information

40 Securities negotiable on the stock exchange (CHF thousands)	31.12.2022	31.12.2021
Bonds and other fixed interest-bearing securities	4 939 303	5 132 876
of which listed securities	4 285 217	4 722 839
of which listed and treated as current assets	4 285 217	4 722 839
of which listed and treated as non-current assets	0	0
of which unlisted securities	654 086	410 037
Aktien und nicht festverzinsliche Wertpapiere	37 788	0
davon börsenkotierte Wertpapiere	0	0
davon börsenkotiert und im Umlaufvermögen	0	0
davon börsenkotiert und im Anlagevermögen	0	0
davon nicht börsenkotierte Wertpapiere	37 788	0
Participations	295	295
of which listed securities	0	0
of which unlisted securities	295	295
Shares in affiliated companies	4 655	655
of which listed securities	0	0
of which unlisted securities	4 655	655

41 Other assets (CHF thousands)	31.12.2022	31.12.2021
Positive replacement values of derivatives	1 685 246	899 500
Due from tax authorities	15 797	14 495
Compensation account	0	11 011
Physical holdings of precious metals	1 000 393	1 134 238
Other properties (classified as available for sale)	0	1 230
Other assets	16 138	23 365
Total	2 717 574	2 083 839

42 Other liabilities (CHF thousands)	31.12.2022	31.12.2021
Negative replacement values of derivatives	1 807 123	1 066 890
Coupons	333	333
Long-Term Incentive Scheme liability	48 889	63 505
Liabilities personnel administration (excluding Long-Term Incentive Scheme)	3 263	843
Clearing accounts	68 555	36 082
Fees	802	673
Liabilities to tax authorities	12 293	21 696
Compensation account	93 693	0
Total	2 034 951	1 190 023

43 Other ordinary income (CHF thousands)	2022	2021
Compensation from Group companies	34 416	33 997
Income from real estate	5 546	5 919
Income from the release of provisions	42	615
Income unrelated to the period	15 396	0
Remaining other income	8 257	3 435
Total	63 657	43 966

Compensation from other Group companies accounted for a large component of other ordinary income in 2022. 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)	2022	2021
Losses from receivables and guarantees	58	67
Transaction losses	764	631
Creation of provisions for other business risks	419	894
Remaining other expenses	738	406
Total	1 979	1 999

See also note 37.

45 Breakdown of client assets (CHF thousands)	31.12.2022	31.12.2021
Client assets		
Client assets in own-managed funds (investment undertakings)	20 973 362	21 113 033
Client assets under management	19 569 100	21 691 977
Other client assets under administration	67 451 379	70 761 474
Total client assets (including double counting)	107 993 841	113 566 484
of which double counting	9 465 283	10 288 941

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 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 CHF thousands	Headcount	Profit for the year CHF thousands	Tax on earnings CHF thousands
Branches						
LGT Bank AG, Zweigniederlassung Österreich	Bank	Vienna	105 369	233	10 311	-91
LGT Bank Ltd., Hong Kong Branch	Bank	Hong Kong	247 706	421	-7 960	2 917
LGT Bank Ltd., Dublin Branch	Bank	Dublin	5 846	10	1 838	263
LGT Bank AG, Zweigniederlassung Deutschland	Bank	Munich	27	17	-2 452	0

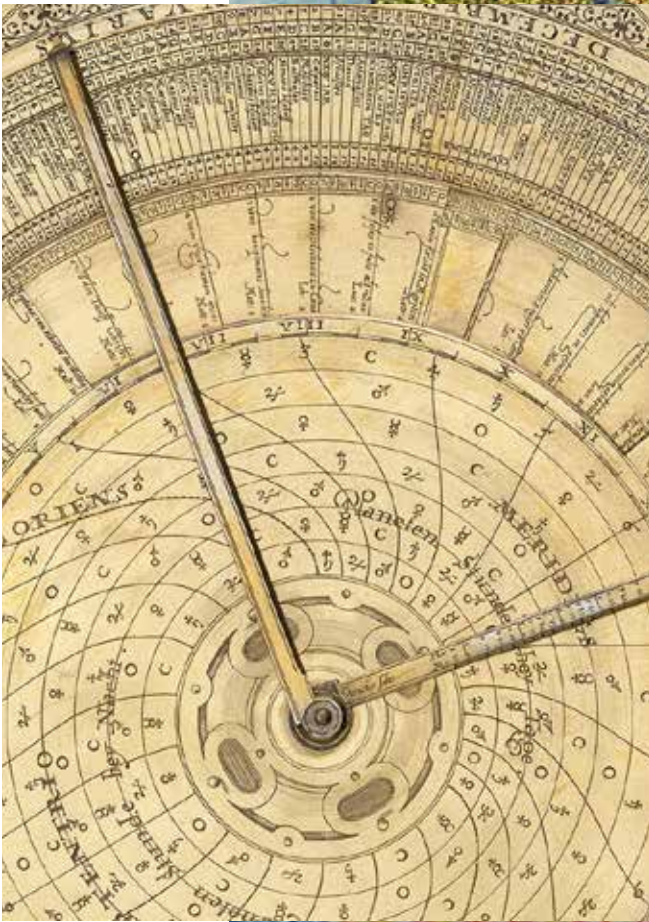
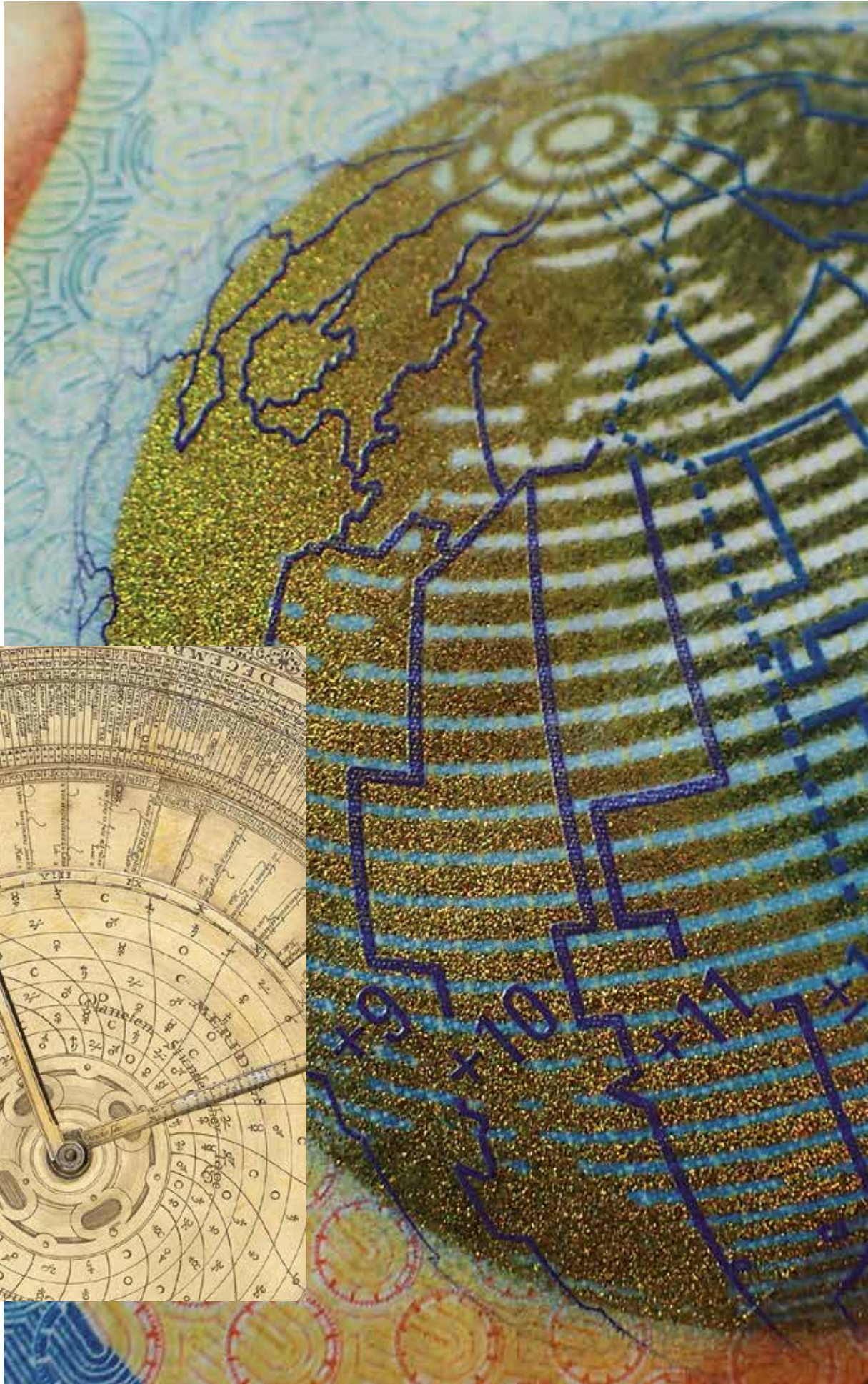
47 Outstanding bonds**Product explanations for table 12 on page 23**

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.



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 2022, 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 42) give a true and fair view of the financial position of the Company and its financial performance for the year ended 31 December 2022 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 32.8 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.

Overall Materiality	CHF 32.8 million
Benchmark applied	Equity
Rationale for the materiality benchmark applied	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 2022, the Company has CHF 16.4 billion of outstanding loans and advances to customers, of which 0.13% 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 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). 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 2022, the Company has provisions for other business risks in the amount of CHF 3.2 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 28 March 2022. 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 other information (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, 27 March 2023

International locations

LGT Private Banking

Europe

Austria Salzburg, Vienna

Germany Hamburg, Munich

Ireland Dublin

Principality of Liechtenstein Vaduz

Switzerland Basel, Berne, Geneva, Lugano, Zurich

United Kingdom Bristol, Edinburgh, Jersey, London

Middle East

Bahrain Manama

United Arab Emirates Dubai

Asia-Pacific

Australia Adelaide, Brisbane, Melbourne, Sydney

Hong Kong SAR

India Mumbai, New Delhi and 12 other locations

Japan Tokyo

Singapore

Thailand Bangkok

A complete list of LGT Private Banking locations can be found at www.lgt.com

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“

LGT Bank 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

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