

LGT BANK AG, HONG KONG BRANCH

(incorporated in Liechtenstein with limited liability)

Financial Information Disclosure Statements (Unaudited)
for the year ended 31 December 2024

LGT BANK AG, Hong Kong Branch

Section A : Branch Information

I Income Statement Information

(in thousands of Hong Kong Dollars)

	For the year ended 31 Dec 2024		For the year ended 31 Dec 2023	
Interest income		2,725,092		2,631,555
Interest expenses		(2,293,013)		(2,137,032)
Other operating income				
Gains less losses arising from trading in foreign currencies		126,926		143,634
Gains less losses on securities held for trading purposes		172,250		155,619
Gains less losses from other trading activities		156,842		93,336
Net fees and commission income				
Gross fees and commission income	1,448,426		1,345,096	
Gross fees and commission expenses	(146,390)	1,302,036	(121,548)	1,223,548
Others		505,270		383,730
Operating income		2,695,403		2,494,390
Operating expenses				
Staff and rental expenses	(1,532,030)		(1,401,777)	
Other expenses	(1,095,861)		(1,026,457)	
Change in other provisions	22	(2,627,869)	19	(2,428,215)
Change in allowances for expected credit losses		(1,555)		679
Losses from disposal of fixed assets		(654)		(11)
Profit before taxation		65,325		66,843
Tax income / (expense)		2,577		(17,037)
Profit after taxation		67,902		49,806

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II Balance Sheet Information

(in thousands of Hong Kong Dollars)

31 Dec 2024 30 Jun 2024

Assets

Due from Exchange Fund	100,412	102,118
Cash and balances with banks	6,774,916	6,835,420
Amount due from overseas offices of the institution	33,705,062	29,271,272
Investment securities	6,040,882	6,079,302
Loans and receivables	15,272,122	14,390,078
Investment in subsidiary	40,264	40,264
Fixed assets	550,744	551,915
Intangible assets	938,780	972,347
Total assets	<u>63,423,182</u>	<u>58,242,716</u>

Liabilities

Deposits and balances from banks	34,348	73,594
Deposit from customers		
Demand deposits and current accounts	6,647,896	5,500,044
Time, call and notice deposits	44,121,533	40,541,968
Amount due to overseas offices of the institution	9,620,147	9,459,107
Other liabilities	2,999,258	2,668,003
Total liabilities	<u>63,423,182</u>	<u>58,242,716</u>

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III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1) Cash and balances with banks

	31 Dec 2024	30 Jun 2024
Cash and balances with banks	6,777,489	6,836,730
Less: Allowances for expected credit losses	(2,573)	(1,310)
	<u>6,774,916</u>	<u>6,835,420</u>

(2) Loans and receivables

	31 Dec 2024	30 Jun 2024
Loans and advances to customers	13,773,549	12,894,449
Loans and advances to banks	220,517	269,886
Less: Allowances for expected credit losses	(333)	(286)
	<u>13,993,733</u>	<u>13,164,049</u>
Accrued interest receivables	286,114	305,729
Unrealized gains on derivative instruments	764,154	706,955
Other accounts	228,121	213,345
	<u>1,278,389</u>	<u>1,226,029</u>
	<u>15,272,122</u>	<u>14,390,078</u>

(3) The breakdown of gross amount of loans and advances to customers by industry sectors and the corresponding balances covered by collateral or other security:

	31 Dec 2024		30 Jun 2024	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
Property investment	25,000	25,000	25,000	25,000
Financial concerns	172,106	172,098	761,547	761,450
Individuals				
Others	4,210,458	4,195,199	3,790,610	3,782,776
Loans and advances for use outside Hong Kong	9,365,985	8,960,115	8,317,292	8,011,244
	<u>13,773,549</u>	<u>13,352,412</u>	<u>12,894,449</u>	<u>12,580,470</u>

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III Additional Balance Sheet Information (continued)

(in thousands of Hong Kong Dollars)

- (4) The table shows loans and advances to customers by major countries, amounting to not less than 10% of the aggregate loans and advances to customers:

	31 Dec 2024	30 Jun 2024
British Virgin Islands	5,139,403	4,186,947
Hong Kong	4,407,564	4,689,561
	<u>9,546,967</u>	<u>8,876,508</u>

The above geographical analysis is based on the location of the counterparty after taking into account the recognized risk transfer as defined in Section 98 of the Banking (Disclosure) Rules ("BDR"). The risk transfer applies when an advance is covered by recognized guarantee as defined in Banking (Capital) Rules from a guarantor in a country which is different from that of the counterparty.

- (5) No allowances for loans and advances or other exposures of LGT Bank AG, Hong Kong Branch ("LGT HK") have been set aside or maintained at the overseas head office as at 31 December 2024 and 30 June 2024.
- (6) Impaired financial assets are individually assessed assets which exhibit objective evidence of impairment on an individual basis. There were no impaired loans and advances to customers and banks, balances with banks as at 31 December 2024 and 30 June 2024.
- (7) There were no overdue loans and advances to customers and banks, balances with banks as at 31 December 2024 and 30 June 2024.
- (8) There were no repossessed assets, and no rescheduled loans and advances to customers and banks, balances with banks as at 31 December 2024 and 30 June 2024.
- (9) There were no overdue other assets at LGT HK as at 31 December 2024 and 30 June 2024.

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IV International Claims

(in thousands of Hong Kong Dollars)

The table shows International claims by major countries or geographical segments, after taking into account any recognized risk transfer as defined in section 98 of the BDR, amounting to not less than 10% of the aggregate International claims:

			Non-bank private sector		
	Banks	Official Sector	Non-bank financial institution	Non-financial private sector	Total
31 Dec 2024					
Developed countries	41,583,493	192,384	880,811	2,054,618	44,711,306
of which					
- Liechtenstein	38,356,200	-	7,985	4,177	38,368,362
			Non-bank private sector		
	Banks	Official Sector	Non-bank financial institution	Non-financial private sector	Total
30 Jun 2024					
Developed countries	38,044,884	92,322	963,500	1,654,567	40,755,273
of which					
- Liechtenstein	33,667,654	-	6,555	3,002	33,677,211

LGT BANK AG, Hong Kong Branch

V Mainland Activities

(in thousands of Hong Kong Dollars, except ratios)

The Non-bank Mainland Exposures are as follows:

31 Dec 2024	On-balance sheet exposures	Off-balance sheet exposures	Total
Type of Counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	350,828	1,967	352,795
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,345	695	4,040
Total	354,173	2,662	356,835
Total assets after provision	63,423,182		
On-balance sheet exposures as percentage of total assets	0.56%		
30 Jun 2024	On-balance sheet exposures	Off-balance sheet exposures	Total
Type of Counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	270,768	2,155	272,923
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	8,768	541	9,309
Total	279,536	2,696	282,232
Total assets after provision	58,242,716		
On-balance sheet exposures as percentage of total assets	0.48%		

LGT BANK AG, Hong Kong Branch

VI Currency Risk

(in thousands of Hong Kong Dollars)

	USD	GBP	JPY	EUR	CHF	AUD
31 Dec 2024						
Spot assets	37,175,157	1,853,964	2,417,920	2,354,577	3,763,309	1,380,678
Spot liabilities	(37,185,526)	(1,853,464)	(2,417,619)	(2,354,079)	(3,762,190)	(1,380,318)
Forward purchases	5,163,880	248,859	1,707,874	386,666	1,942,048	359,047
Forward sales	(5,161,784)	(248,833)	(1,707,656)	(386,473)	(1,940,880)	(358,935)
Net options position	-	-	-	-	-	-
Net long (or net short) position	(8,273)	526	519	691	2,287	472
	USD	GBP	JPY	EUR	CHF	AUD
30 Jun 2024						
Spot assets	33,542,710	1,690,180	2,273,586	2,244,908	3,815,375	1,436,851
Spot liabilities	(33,530,170)	(1,690,028)	(2,273,625)	(2,243,716)	(3,815,905)	(1,436,309)
Forward purchases	5,472,334	581,424	2,259,666	506,774	1,873,477	265,495
Forward sales	(5,470,164)	(581,274)	(2,259,241)	(506,490)	(1,871,262)	(265,477)
Net options position	-	-	-	-	-	-
Net long (or net short) position	14,710	303	386	1,476	1,685	560

At 31 December 2024, USD, GBP, JPY, EUR, CHF, AUD (30 June 2024: USD) constitute 10% or more of the total net position in all foreign currencies.

There were no foreign currency net structural positions as at 31 December 2024 and 30 June 2024.

Net options position is calculated on the basis of delta-weighted positions of all foreign exchange options contracts.

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VII Off-Balance Sheet Exposures

(in thousands of Hong Kong Dollars)

	31 Dec 2024	30 Jun 2024
Contingent Liabilities and Commitments		
Contractual Amount		
Direct credit substitutes	981,658	897,180
Transaction-related contingent items	1,282	1,289
Amount owing on partly paid shares and securities	824,024	934,521
Other commitments	28,233,504	27,023,517

The contractual amounts represent the amount at risk should the contract be fully drawn upon the client default.

	31 Dec 2024	30 Jun 2024
Derivatives		
Contractual / Notional Amount		
Exchange rate contracts	21,253,443	24,043,293
Interest rate contracts	759,404	854,405
Equity contracts	14,729,252	10,562,602
Others	5,275,853	8,927,787
	<u>42,017,952</u>	<u>44,388,087</u>

	31 Dec 2024		30 Jun 2024	
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Exchange rate contracts	227,725	224,482	222,378	217,563
Interest rate contracts	9,239	8,930	18,537	18,116
Equity contracts	421,033	421,033	300,307	300,307
Others	106,157	105,840	165,733	165,224
	<u>764,154</u>	<u>760,285</u>	<u>706,955</u>	<u>701,210</u>

The contractual / notional amounts of derivatives indicate the volume of transactions outstanding at the balance sheet date, they do not represent amount at risk.

The contractual amounts and fair values of the above derivatives are shown on a gross basis with no offsetting presentation due to bilateral netting agreements.

LGT BANK AG, Hong Kong Branch

VIII Liquidity

(1) Liquidity Maintenance Ratios

For the quarter ended
31 Dec 2024 31 Dec 2023

Average liquidity maintenance ratio ("LMR")	59.94%	58.63%
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The average LMR is calculated based on the arithmetic mean of the Branch's average LMR for each calendar month in that quarter, as reported in the liquidity position return submitted to the Hong Kong Monetary Authority.

(2) Liquidity Risk Management

Governance

Liquidity risk is the risk that LGT HK may not be able to fund increases in assets and meet obligations as they fall due without incurring unacceptable losses. The objective of liquidity and funding risk management is to ensure that LGT HK can meet its liabilities at all times as they fall due and maintain sufficient resources to fund the business on a permanent basis.

LGT Group ("LGT") aims to manage liquidity and funding risk centrally from a group perspective, i.e. individual legal entity has limited possibilities to take on liquidity risk under internal balance sheet management guidelines. Head Office requires LGT HK to manage the liquidity structure of its assets, liabilities and commitments to maintain cash flows approximately are balanced and all funding obligations are met when due. Head Office will provide full financial support to LGT HK if required.

The Risk Management Committee ("RMC") of LGT HK is the governance committee to ensure LGT HK business activities are conducted in a safe and sound manner consistent with the bank's risk management philosophy and business strategy. The RMC of LGT HK is supported by the Assets & Liabilities Committee ("ALCO") of LGT HK which oversees the liquidity risk management by formulating and reviewing LGT HK's Liquidity Policy ("The Policy"). The Policy clearly defines the structure, responsibilities and functional units for liquidity risk management. It also sets out the risk tolerance limits which are in line with the risk appetite set by the Foundation Board.

The Policy serves as a mean of communicating LGT HK's liquidity risk strategy and risk management process. It articulates LGT HK's liquidity risk management approach including how to identify, measure, monitor and control liquidity risk. It is reviewed and approved annually by the ALCO of LGT HK and endorsed by Board of Directors of LGT Bank AG.

Funding Strategy

LGT HK's main funding source is customer deposits. Funding source from customer deposits is considered adequately diversified due to the large number of different groups of depositors. LGT HK ensures its local funding strategy is in line with LGT's for a diversified, longer term and stickier liabilities. LGT HK closely monitors the concentration of customer deposits and the ALCO of LGT HK reviews the concentration level of funding from customers on at least a monthly basis.

VIII Liquidity (continued)

(2) Liquidity Risk Management (continued)

Liquidity Risk Mitigation

LGT HK maintains a cushion of unencumbered and high quality liquid assets as insurance against liquidity shortfall. Assets are considered to be liquid assets if they can be easily and immediately converted into cash at no or little cost via outright sale or via simple repurchase transactions, even in times of stress.

LGT HK aims to maintain an appropriate mix of high quality liquid assets as a source of liquidity for meeting emergency funding needs. The type, size and tenor of liquid assets to be acquired allow LGT HK to meet funding needs under severe stress scenarios. The liquid asset portfolio consists of cash, claims on Exchange Fund, Nostro account balances, bank placements and marketable debt securities.

LGT HK monitors various indicators as early warning signs in order to identify an increased level of liquidity stress at the earliest possible stage. The potential mitigating measures include the increase of holdings of liquid assets, diversification of liabilities emphasizing stickier and / or longer-term liabilities and reducing the average maturity of the lending business.

Liquidity Stress Testing

LGT adopts a cash-flow approach in stress-testing to monitor its liquidity positions regularly based on severe but plausible scenarios to identify potential sources of liquidity strain under stressed conditions covering the impacts of LGT's specific stress and market-wide stress and a combination of both. Group Risk and Security conducts stress tests and monitors the adherence to the defined limits for all entities of LGT including LGT HK. The result enables LGT HK to assess its ability to generate sufficient liquidity from both sides of the balance sheet to meet funding needs under adverse conditions and the risk tolerance level. Stress testing results of LGT HK are presented in the monthly ALCO meeting.

Contingency Funding Plan

LGT HK maintains a contingency funding plan ("CFP") that sets up the strategies, process and the roles and responsibilities for addressing potential liquidity shortfalls in emergency situations. It includes identification of early warning indicators of stress scenarios, monitoring and escalation procedures, actions to be taken in the event of crisis and process for effective communication. The goal of the CFP is to ensure LGT HK has sufficient liquidity resources in stressed scenarios to meet its liabilities as they fall due. The CFP is updated and reviewed at least annually.

(3) Concentration limits on collateral pool

The concentration risk of collateral pool is governed by the counterparty limit at LGT level and the individual security limit.

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VIII Liquidity (continued)

(4) Concentration limits on sources of funding

LGT HK's funding sources are primarily non-bank customer deposits and borrowing from Head Office. Limit for the top 10 non-bank third-party customer deposits is set in the Liquidity Policy.

Significant funding sources

	31 Dec 2024	31 Dec 2023
	As % of total liabilities	As % of total liabilities
Deposits from non-bank customers	80.39%	80.46%
Borrowing from head office	15.18%	15.27%

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VIII Liquidity (continued)

(5) Liquidity Gap

The table below shows the on- and off-balance sheet items, broken down into maturity buckets of LGT HK as at 31 December 2024:

31 Dec 2024 <i>(in millions of Hong Kong Dollars)</i>	Total	Up to 7 Days	8 Days up to 1 Month	Over 1 Month up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 5 Years	Over 5 Years	Balancing Amount
On-balance sheet assets:									
Currency notes and coins	-	-	-	-	-	-	-	-	-
Amount receivable arising from derivative contracts	745	239	490	7	6	17	54	16	-
Due from Exchange Fund	101	101	-	-	-	-	-	-	-
Due from banks	40,934	13,395	11,270	11,383	3,787	1,073	26	-	-
Investment securities held	6,041	6,041	-	-	-	-	-	-	-
Loans and advances to non-bank customers	13,789	6,554	5,745	765	596	69	60	-	-
Other assets	1,757	-	-	107	-	22	24	-	1,604
Total on-balance sheet assets	63,367	26,330	17,505	12,262	4,389	1,181	164	16	1,604
Off-balance sheet claims:									
Other off-balance sheet claims	-	-	-	-	-	-	-	-	-
Total off-balance sheet claims	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities:									
Deposits from non-bank customers	50,982	27,200	7,466	11,437	3,781	1,072	26	-	-
Amount payable arising from derivative contracts	742	236	490	7	6	17	54	16	-
Due to banks	9,664	3,213	4,970	757	596	69	59	-	-
Other liabilities	1,445	14	131	14	655	45	385	235	(34)
Capital and reserves	571	-	68	-	-	-	-	-	503
Total on-balance sheet liabilities	63,404	30,663	13,125	12,215	5,038	1,203	524	251	469
Off-balance sheet obligations:									
Irrevocable loan commitments or facilities granted	3,723	3,723	-	-	-	-	-	-	-
Other off-balance sheet obligations	1,811	1,811	-	-	-	-	-	-	-
Total off-balance sheet obligations	5,534	5,534	-	-	-	-	-	-	-
Contractual Maturity Mismatch		(9,867)	4,380	47	(649)	(22)	(360)	(235)	
Cumulative Contractual Maturity Mismatch		(9,867)	(5,487)	(5,440)	(6,089)	(6,111)	(6,471)	(6,706)	

The below table shows information on the LGT HK's estimated cash flows arising from selected items based on behavioural assumptions:

31 Dec 2024 <i>(in millions of Hong Kong Dollars)</i>	Total	Up to 7 Days	8 Days up to 1 Month	Over 1 Month up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 5 Years	Over 5 Years	Balancing Amount
Demand, savings and current account deposits - according to the lowest month-end balance recorded in past 12 months	1,071								1,071
Off-balance sheet obligations:									
Irrevocable loan commitments or facilities granted	3,723	91	224	602	928	1,877	-	-	-
Other off-balance sheet obligations	1,811	-	-	-	-	-	-	-	1,811

The information of above tables is extracted from the HKMA Return on Liquidity Monitoring Tools (Form MA(BS)23)

LGT BANK AG, Hong Kong Branch

VIII Liquidity (continued)

(5) Liquidity Gap (continued)

The table below shows the on- and off-balance sheet items, broken down into maturity buckets of LGT HK as at 31 December 2023:

31 Dec 2023 <i>(in millions of Hong Kong Dollars)</i>	Total	Up to 7 Days	8 Days up to 1 Month	Over 1 Month up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 5 Years	Over 5 Years	Balancing Amount
On-balance sheet assets:									
Currency notes and coins	-	-	-	-	-	-	-	-	-
Amount receivable arising from derivative contracts	554	171	363	7	7	19	76	22	-
Due from Exchange Fund	94	94	-	-	-	-	-	-	-
Due from banks	36,621	9,911	11,913	9,642	3,342	1,790	23	-	-
Investment securities held	6,162	6,162	-	-	-	-	-	-	-
Loans and advances to non-bank customers	13,332	6,620	5,612	894	78	55	66	7	-
Other assets	1,809	-	1	58	33	-	-	-	1,717
Total on-balance sheet assets	58,572	22,958	17,889	10,601	3,460	1,864	165	29	1,717
Off-balance sheet claims:									
Other off-balance sheet claims	-	-	-	-	-	-	-	-	-
Total off-balance sheet claims	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities:									
Deposits from non-bank customers	47,172	22,645	9,718	9,660	3,338	1,788	23	-	-
Amount payable arising from derivative contracts	546	163	363	7	7	20	77	21	-
Due to banks	8,976	3,350	4,532	890	77	54	66	7	-
Other liabilities	1,438	9	110	122	502	54	690	7	(56)
Capital and reserves	485	-	50	-	-	-	-	-	435
Total on-balance sheet liabilities	58,617	26,167	14,773	10,679	3,924	1,916	856	35	379
Off-balance sheet obligations:									
Irrevocable loan commitments or facilities granted	3,653	3,653	-	-	-	-	-	-	-
Other off-balance sheet obligations	1,869	1,869	-	-	-	-	-	-	-
Total off-balance sheet obligations	5,522	5,522	-	-	-	-	-	-	-
Contractual Maturity Mismatch		(8,731)	3,116	(78)	(464)	(52)	(691)	(6)	
Cumulative Contractual Maturity Mismatch		(8,731)	(5,615)	(5,693)	(6,157)	(6,209)	(6,900)	(6,906)	

The below table shows information on the LGT HK's estimated cash flows arising from selected items based on behavioural assumptions:

31 Dec 2023 <i>(in millions of Hong Kong Dollars)</i>	Total	Up to 7 Days	8 Days up to 1 Month	Over 1 Month up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 5 Years	Over 5 Years	Balancing Amount
Demand, savings and current account deposits - according to the lowest month-end balance recorded in past 12 months	1,521								1,521
Off-balance sheet obligations:									
Irrevocable loan commitments or facilities granted	3,653	301	733	1,161	905	553	-	-	-
Other off-balance sheet obligations	1,869	-	-	-	-	-	-	-	1,869

The information of above tables is extracted from the HKMA Return on Liquidity Monitoring Tools (Form MA(BS)23)

LGT BANK AG, Hong Kong Branch

IX Disclosure on Remuneration

With reference to HKMA Supervisory Policy Manual CG-5, "Guideline on a sound remuneration system", remuneration information is disclosed by LGT Bank AG, hence it is not separately disclosed by LGT HK. For details on LGT Bank AG remuneration information, please refer to its Annual Report.

X Disclosure on Climate Risk Management

With reference to HKMA Supervisory Policy Manual GS-1, "Climate Risk Management", climate related disclosures in accordance with Task Force on Climate-related Financial Disclosures' (TCFD) recommendations is included within the Sustainability Information Report for LGT Private Banking, hence it is not separately disclosed by LGT HK.

LGT BANK AG, Hong Kong Branch

Section B: Group Information (Consolidated Basis)

Financial Highlights of LGT Group (Consolidated Basis):

(in thousands of Swiss Francs, except ratios)

I Capital and Capital Adequacy

	31 Dec 2024	31 Dec 2023
Capital adequacy ratio	18.2%	19.9%
Shareholders' funds	6,013,193	5,987,025

The Capital ratios of LGT Group are based on the guidelines of the Basel Committee on Banking Supervision (Basel III) and its implementation in the legislation of the European Union and of the Liechtenstein Government.

II Other Financial Information

	31 Dec 2024	31 Dec 2023
Total assets	61,293,397	58,134,973
Total liabilities	55,280,205	52,147,948
Total loans and advances	34,369,446	33,213,867
Total customer deposits	45,286,718	41,778,734

	For the year ended 31 Dec 2024	For the year ended 31 Dec 2023
Pre-tax profit	434,078	459,329