

# **LGT BANK AG, HONG KONG BRANCH**

(incorporated in Liechtenstein with limited liability)

Financial Information Disclosure Statements (Unaudited)  
for the six months ended 30 June 2022

## LGT BANK AG, Hong Kong Branch

### Section A : Branch Information

#### I Income Statement Information

(in thousands of Hong Kong Dollars)

	For the period ended 30 Jun 2022	For the period ended 30 Jun 2021
Interest income	204,754	146,749
Interest expenses	(75,362)	(44,067)
Other operating income		
Gains less losses arising from trading in foreign currencies	77,976	122,575
Gains less losses on securities held for trading purposes	57,519	124,937
Gains less losses from other trading activities	57,270	94,953
Net fees and commission income		
Gross fees and commission income	703,824	807,963
Gross fees and commission expenses	(89,977)	(124,486)
Others	87,882	106,981
Operating income	<u>1,023,886</u>	<u>1,235,605</u>
Operating expenses		
Staff and rental expenses	(568,907)	(656,461)
Other expenses	(388,029)	(379,089)
Charge for other provisions	(184)	(162)
Change in allowances for expected credit losses	(244)	(1,817)
Profit before taxation	<u>66,522</u>	<u>198,076</u>
Tax expense	(12,414)	(33,725)
Profit after taxation	<u><u>54,108</u></u>	<u><u>164,351</u></u>

## LGT BANK AG, Hong Kong Branch

---

### II Balance Sheet Information

(in thousands of Hong Kong Dollars)

	30 Jun 2022	31 Dec 2021
<b>Assets</b>		
Due from Exchange Fund	396,481	398,233
Cash and balances with banks	4,707,305	4,105,464
Amount due from overseas offices of the institution	20,977,911	21,498,009
Investment securities	5,482,678	5,850,494
Loans and receivables	18,491,955	18,342,561
Fixed assets	414,560	466,199
Intangible assets	1,106,618	1,140,186
Total assets	<u>51,577,508</u>	<u>51,801,146</u>
<b>Liabilities</b>		
Deposits and balances from banks	103,917	62,436
Deposit from customers		
Demand deposits and current accounts	13,333,878	18,476,140
Time, call and notice deposits	26,972,991	21,536,791
Amount due to overseas offices of the institution	8,927,349	9,375,963
Other liabilities	2,239,373	2,349,816
Total liabilities	<u>51,577,508</u>	<u>51,801,146</u>

## LGT BANK AG, Hong Kong Branch

### III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

#### (1) Cash and balances with banks

	30 Jun 2022	31 Dec 2021
Cash and balances with banks	4,709,000	4,106,960
Less: Allowances for expected credit losses	<u>(1,695)</u>	<u>(1,496)</u>
	<u>4,707,305</u>	<u>4,105,464</u>

#### (2) Loans and receivables

	30 Jun 2022	31 Dec 2021
Loans and advances to customers	17,314,777	17,464,323
Loans and advances to banks	9,989	47,183
Less:		
Allowances for expected credit losses	<u>(540)</u>	<u>(485)</u>
	<u>17,324,226</u>	<u>17,511,021</u>
Accrued interest receivables	33,488	20,041
Unrealized gains on derivative instruments	980,147	628,125
Other accounts	<u>154,094</u>	<u>183,374</u>
	<u>1,167,729</u>	<u>831,540</u>
	<u>18,491,955</u>	<u>18,342,561</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:

	30 Jun 2022		31 Dec 2021	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
Financial concerns	1,167,781	1,167,661	1,251,420	1,251,345
Individuals				
Others	4,552,181	4,547,806	4,869,469	4,869,468
Loans and advances for use outside Hong Kong	<u>11,594,815</u>	<u>11,584,436</u>	<u>11,343,434</u>	<u>11,324,869</u>
	<u>17,314,777</u>	<u>17,299,903</u>	<u>17,464,323</u>	<u>17,445,682</u>

## LGT BANK AG, Hong Kong Branch

---

### 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:

	<b>30 Jun 2022</b>
British Virgin Islands	<b>6,327,782</b>
Hong Kong	<b>5,796,458</b>
	<b><u>12,124,240</u></b>
	<b>31 Dec 2021</b>
British Virgin Islands	5,823,115
Hong Kong	6,258,325
	<b><u>12,081,440</u></b>

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 transfer of risk applies when an advance is guaranteed by a party in a country which is different from that of the counterparty.

- (5) No allowances for loans and advances or other exposures of LGT HK have been set aside or maintained at the overseas head office as at 30 June 2022 and 31 December 2021.
- (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 30 June 2022 and 31 December 2021.
- (7) There were no overdue loans and advances to customers and banks, balances with banks as at 30 June 2022 and 31 December 2021.
- (8) There were no repossessed assets, and no rescheduled loans and advances to customers and banks, balances with banks as at 30 June 2022 and 31 December 2021.
- (9) There were no overdue other assets at LGT HK as at 30 June 2022 and 31 December 2021.

## LGT BANK AG, Hong Kong Branch

### 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:

	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank private sector</b>		<b>Total</b>
			<b>Non-bank financial institution</b>	<b>Non-financial private sector</b>	
<b>30 Jun 2022</b>					
Developed countries	<b>30,089,349</b>	<b>37,384</b>	<b>1,759,366</b>	<b>1,402,273</b>	<b>33,288,372</b>
of which					
- Liechtenstein	<b>25,156,288</b>	<b>-</b>	<b>36,922</b>	<b>1,467</b>	<b>25,194,677</b>
Developing Asia-Pacific	<b>1,232,801</b>	<b>1,172</b>	<b>325,171</b>	<b>2,991,779</b>	<b>4,550,923</b>

	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank private sector</b>		<b>Total</b>
			<b>Non-bank financial institution</b>	<b>Non-financial private sector</b>	
<b>31 Dec 2021</b>					
Developed countries	30,445,403	401	1,885,141	1,587,794	33,918,739
of which					
- Liechtenstein	25,471,832	-	4,108	8,550	25,484,490
Developing Asia-Pacific	975,470	2,979	318,048	3,744,836	5,041,333

## 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:

30 Jun 2022	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	768,370	3,479	771,849
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	66,900	157	67,057
Total	835,270	3,636	838,906
Total assets after provision	51,577,508		
On-balance sheet exposures as percentage of total assets	1.62%		
31 Dec 2021	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	990,818	1,516	992,334
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	100,245	2,984	103,229
Total	1,091,063	4,500	1,095,563
Total assets after provision	51,801,146		
On-balance sheet exposures as percentage of total assets	2.11%		

## LGT BANK AG, Hong Kong Branch

### VI Currency Risk

(in thousands of Hong Kong Dollars)

	USD	GBP	JPY	EUR	CNY	CHF	SGD
<b>30 Jun 2022</b>							
Spot assets	28,045,054	2,062,175	1,821,151	3,102,469	1,092,399	848,542	762,188
Spot liabilities	(28,066,841)	(2,059,432)	(1,821,144)	(3,102,299)	(1,089,749)	(844,560)	(760,994)
Forward purchases	7,423,037	1,661,040	1,721,573	967,863	120,889	1,690,936	167,387
Forward sales	(7,403,133)	(1,663,552)	(1,721,329)	(966,763)	(122,814)	(1,694,529)	(168,381)
Net options position	-	-	-	-	-	-	-
Net long (or net short) position	<u>(1,883)</u>	<u>231</u>	<u>251</u>	<u>1,270</u>	<u>725</u>	<u>389</u>	<u>200</u>

	USD	GBP	JPY	EUR	CNY	CHF	SGD	ILS
<b>31 Dec 2021</b>								
Spot assets	28,628,489	2,222,789	1,993,248	3,082,396	934,202	1,517,091	758,499	32,344
Spot liabilities	(28,654,121)	(2,222,445)	(1,993,371)	(3,080,575)	(930,786)	(1,544,990)	(757,982)	(31,959)
Forward purchases	7,301,118	1,613,276	944,736	757,658	191,978	1,799,802	162,447	-
Forward sales	(7,268,743)	(1,613,348)	(944,154)	(756,523)	(194,702)	(1,782,311)	(162,800)	(25)
Net options position	-	-	-	-	-	-	-	-
Net long (or net short) position	<u>6,743</u>	<u>272</u>	<u>459</u>	<u>2,956</u>	<u>692</u>	<u>(10,408)</u>	<u>164</u>	<u>360</u>

At 30 Jun 2022, USD, GBP, JPY, EUR, CNY, CHF and SGD (31 December 2021: USD, GBP, JPY, EUR, CNY, CHF, SGD and ILS) constitute 10% or more of the total net position in all foreign currencies.

There were no foreign currency net structural positions as at 30 June 2022 and 31 December 2021.

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



## LGT BANK AG, Hong Kong Branch

### VII Off-Balance Sheet Exposures

(in thousands of Hong Kong Dollars)

	30 Jun 2022	31 Dec 2021
Contingent Liabilities and Commitments		
Contractual Amount		
Direct credit substitutes	742,477	757,119
Transaction-related contingent items	3,806	3,797
Amount owing on partly paid shares and securities	1,155,152	619,790
Other commitments	26,706,680	27,033,765

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

	30 Jun 2022	31 Dec 2021
Derivatives		
Contractual / Notional Amount		
Exchange rate contracts	25,886,737	26,856,525
Interest rate contracts	808,454	960,403
Equity contracts	9,631,857	11,682,608
Others	5,325,963	3,636,809
	<u>41,653,011</u>	<u>43,136,345</u>

	30 Jun 2022		31 Dec 2021	
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Exchange rate contracts	355,019	347,992	125,227	118,547
Interest rate contracts	19,558	18,789	16,368	15,756
Equity contracts	552,949	552,949	468,456	468,456
Others	52,621	52,051	18,074	17,892
	<u>980,147</u>	<u>971,781</u>	<u>628,125</u>	<u>620,651</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

	<b>For the quarter ended</b>	
	<b>30 Jun 2022</b>	30 Jun 2021
Average liquidity maintenance ratio ("LMR")	<b>57.17%</b>	61.79%

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.

### 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.

## LGT BANK AG, Hong Kong Branch

---

### Section B: Group Information (Consolidated Basis)

*(in thousands of Swiss Francs, except ratios)*

#### Financial Highlights of LGT Group (Consolidated Basis):

##### I Capital and Capital Adequacy

	31 Dec 2021	31 Dec 2020
Capital adequacy ratio	22.1%	21.9%
Shareholders' funds	6,046,823	4,836,819

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 2021	31 Dec 2020
Total assets	52,875,628	49,870,305
Total liabilities	46,828,805	45,033,486
Total loans and advances	24,705,191	22,940,249
Total customer deposits	39,871,882	36,918,383

	For the year ended 31 Dec 2021	For the year ended 31 Dec 2020
Pre-tax profit	403,139	332,505