

LGT BANK AG, HONG KONG BRANCH

(incorporated in Liechtenstein with limited liability)

Financial Information Disclosure Statements (Unaudited)
for the six months ended 30 June 2023

LGT BANK AG, Hong Kong Branch

Section A : Branch Information

I Income Statement Information

(in thousands of Hong Kong Dollars)

| | For the year ended 30 Jun 2023 | For the year ended 30 Jun 2022 | |
|--|---|-----------------------------------|-----------------|
| Interest income | 1,216,455 | 204,754 | |
| Interest expenses | (969,773) | (75,362) | |
| Other operating income | | | |
| Gains less losses arising from trading in foreign currencies | 73,513 | 77,976 | |
| Gains less losses on securities held for trading purposes | 79,144 | 57,519 | |
| Gains less losses from other trading activities | 49,883 | 57,270 | |
| Net fees and commission income | | | |
| Gross fees and commission income | 730,392 | 703,824 | |
| Gross fees and commission expenses* | (63,130) | 667,262 | (67,182) |
| Others | 117,282 | 87,882 | |
| Operating income | 1,233,766 | 1,046,681 | |
| Operating expenses | | | |
| Staff and rental expenses | (679,847) | (568,907) | |
| Other expenses* | (477,178) | (410,824) | |
| Change in other provisions | 40 | (1,156,985) | (184) (979,915) |
| Change in allowances for expected credit losses | 128 | (244) | |
| Profit before taxation | 76,909 | 66,522 | |
| Tax expense | (22,064) | (12,414) | |
| Profit after taxation | 54,845 | 54,108 | |

* Comparative figures have been restated to conform to current period's presentation.

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II Balance Sheet Information

(in thousands of Hong Kong Dollars)

| | 30 Jun 2023 | 31 Dec 2022 |
|---|--------------------------|--------------------------|
| Assets | | |
| Due from Exchange Fund | - | 402,769 |
| Cash and balances with banks | 5,552,053 | 5,716,455 |
| Amount due from overseas offices of the institution | 30,064,600 | 27,932,708 |
| Investment securities | 6,461,680 | 6,673,511 |
| Loans and receivables | 18,109,238 | 17,617,462 |
| Investment in subsidiary | 40,264 | - |
| Fixed assets | 317,330 | 362,827 |
| Intangible assets | 1,039,483 | 1,073,051 |
| Total assets | <u>61,584,648</u> | <u>59,778,783</u> |
| Liabilities | | |
| Due to Exchange Fund | 377,494 | - |
| Deposits and balances from banks | 29,253 | 177,173 |
| Deposit from customers | | |
| Demand deposits and current accounts | 8,290,237 | 9,184,588 |
| Time, call and notice deposits | 37,585,230 | 38,553,721 |
| Amount due to overseas offices of the institution | 13,194,486 | 9,619,043 |
| Other liabilities | 2,107,948 | 2,244,258 |
| Total liabilities | <u>61,584,648</u> | <u>59,778,783</u> |

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III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1) Cash and balances with banks

| | 30 Jun 2023 | 31 Dec 2022 |
|---|------------------|-------------|
| Cash and balances with banks | 5,553,768 | 5,718,307 |
| Less: Allowances for expected credit losses | (1,715) | (1,852) |
| | 5,552,053 | 5,716,455 |

(2) Loans and receivables

| | 30 Jun 2023 | 31 Dec 2022 |
|--|-------------------|-------------|
| Loans and advances to customers | 17,063,214 | 16,516,629 |
| Loans and advances to banks | 61,923 | 7,774 |
| Less: | | |
| Allowances for expected credit losses | (259) | (367) |
| | 17,124,878 | 16,524,036 |
| Accrued interest receivables | 256,454 | 204,641 |
| Unrealized gains on derivative instruments | 549,307 | 695,622 |
| Other accounts | 178,599 | 193,163 |
| | 984,360 | 1,093,426 |
| | 18,109,238 | 17,617,462 |

(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 2023 | | 31 Dec 2022 | |
|--|------------------------|-------------------------------------|------------------------|-------------------------------------|
| | 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 | 957,033 | 957,033 | 1,113,403 | 1,113,240 |
| Individuals | | | | |
| Others | 3,600,559 | 3,575,633 | 4,039,737 | 4,039,548 |
| Loans and advances for use outside Hong Kong | 12,505,622 | 12,391,705 | 11,363,489 | 11,358,540 |
| | 17,063,214 | 16,924,371 | 16,516,629 | 16,511,328 |

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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:

| | 30 Jun 2023 | 31 Dec 2022 |
|------------------------|-------------------|-------------------|
| British Virgin Islands | 7,651,670 | 6,542,555 |
| Hong Kong | 4,691,768 | 5,276,427 |
| | 12,343,438 | 11,818,982 |

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 Bank AG, Hong Kong Branch ("LGT HK") have been set aside or maintained at the overseas head office as at 30 June 2023 and 31 December 2022.
- (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 2023 and 31 December 2022.
- (7) There were no overdue loans and advances to customers and banks, balances with banks as at 30 June 2023 and 31 December 2022.
- (8) There were no repossessed assets, and no rescheduled loans and advances to customers and banks, balances with banks as at 30 June 2023 and 31 December 2022.
- (9) There were no overdue other assets at LGT HK as at 30 June 2023 and 31 December 2022.

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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:

| | Banks | Official Sector | Non-bank private sector | | Total |
|---------------------|-------------------|------------------------|---|---|-------------------|
| | | | Non-bank financial institution | Non-financial private sector | |
| 30 Jun 2023 | | | | | |
| Developed countries | 39,899,152 | 47,986 | 1,341,298 | 3,002,149 | 44,290,585 |
| of which | | | | | |
| - Liechtenstein | 34,981,903 | - | 15,770 | 5,944 | 35,003,617 |
| | Banks | Official Sector | Non-bank private sector | | Total |
| | | | Non-bank financial institution | Non-financial private sector | |
| 31 Dec 2022 | | | | | |
| Developed countries | 37,123,873 | 48,496 | 1,614,691 | 1,748,628 | 40,535,688 |
| of which | | | | | |
| - Liechtenstein | 32,001,830 | - | 26,774 | 6,800 | 32,035,404 |

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V Mainland Activities

(in thousands of Hong Kong Dollars, except ratios)

The Non-bank Mainland Exposures are as follows:

| 30 Jun 2023 | 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 | 501,509 | 1,377 | 502,886 |
| Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 46,116 | 1,781 | 47,897 |
| Total | 547,625 | 3,158 | 550,783 |
| Total assets after provision | 61,584,647 | | |
| On-balance sheet exposures as percentage of total assets | 0.89% | | |
| 31 Dec 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 | 609,545 | 1,401 | 610,946 |
| Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 59,105 | 541 | 59,646 |
| Total | 668,650 | 1,942 | 670,592 |
| Total assets after provision | 59,778,783 | | |
| On-balance sheet exposures as percentage of total assets | 1.12% | | |

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VI Currency Risk

(in thousands of Hong Kong Dollars)

| | USD | EUR |
|----------------------------------|---------------------|--------------------|
| 30 Jun 2023 | | |
| Spot assets | 32,887,714 | 2,780,088 |
| Spot liabilities | (32,928,034) | (2,772,508) |
| Forward purchases | 6,545,458 | 504,824 |
| Forward sales | (6,464,864) | (502,127) |
| Net options position | - | - |
| Net long (or net short) position | 40,274 | 10,277 |

| | USD | EUR | CHF |
|----------------------------------|---------------|--------------|--------------|
| 31 Dec 2022 | | | |
| Spot assets | 34,971,475 | 2,791,058 | 2,549,901 |
| Spot liabilities | (35,001,928) | (2,783,153) | (2,474,544) |
| Forward purchases | 6,982,527 | 910,598 | 2,426,609 |
| Forward sales | (6,922,205) | (917,413) | (2,496,568) |
| Net options position | - | - | - |
| Net long (or net short) position | 29,869 | 1,090 | 5,398 |

At 30 June 2023, USD and EUR (31 December 2022: USD and CHF) 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 2023 and 31 December 2022.

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)

| | 30 Jun 2023 | 31 Dec 2022 |
|---|-------------------|-------------|
| Contingent Liabilities and Commitments | | |
| Contractual Amount | | |
| Direct credit substitutes | 869,867 | 820,133 |
| Transaction-related contingent items | 3,808 | 3,788 |
| Amount owing on partly paid shares and securities | 1,059,355 | 1,022,784 |
| Other commitments | 24,407,217 | 28,194,746 |

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

| | 30 Jun 2023 | 31 Dec 2022 |
|-------------------------------|--------------------------|--------------------------|
| Derivatives | | |
| Contractual / Notional Amount | | |
| Exchange rate contracts | 28,249,221 | 27,010,226 |
| Interest rate contracts | 668,531 | 611,931 |
| Equity contracts | 9,438,121 | 6,605,491 |
| Others | 4,986,951 | 3,979,101 |
| | <u>43,342,824</u> | <u>38,206,749</u> |

| | 30 Jun 2023 | | 31 Dec 2022 | |
|-------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
| | Fair value assets | Fair value liabilities | Fair value assets | Fair value liabilities |
| Exchange rate contracts | 258,709 | 253,945 | 340,066 | 329,664 |
| Interest rate contracts | 24,278 | 23,888 | 21,367 | 20,963 |
| Equity contracts | 224,127 | 224,127 | 282,811 | 282,811 |
| Others | 42,193 | 41,578 | 51,378 | 50,884 |
| | <u>549,307</u> | <u>543,538</u> | <u>695,622</u> | <u>684,322</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.

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VIII Liquidity

(1) Liquidity Maintenance Ratios

| | For the quarter ended | |
|---|------------------------------|-------------|
| | 30 Jun 2023 | 30 Jun 2022 |
| Average liquidity maintenance ratio ("LMR") | 55.40% | 57.17% |

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.

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 TCFD Report for LGT Private Banking, hence it is not separately disclosed by LGT HK.

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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 2022 | 31 Dec 2021 |
|------------------------|--------------------|-------------|
| Capital adequacy ratio | 19.1% | 22.1% |
| Shareholders' funds | 6,021,758 | 6,046,823 |

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 2022 | 31 Dec 2021 |
|--------------------------|--------------------|-------------|
| Total assets | 61,104,559 | 52,875,628 |
| Total liabilities | 55,082,801 | 46,828,805 |
| Total loans and advances | 34,564,496 | 24,705,191 |
| Total customer deposits | 44,339,919 | 39,871,882 |

| | For the year ended 31 Dec 2022 | For the year ended 31 Dec 2021 |
|----------------|---|-----------------------------------|
| Pre-tax profit | 487,974 | 403,139 |