

LGT BANK AG, HONG KONG BRANCH

(incorporated in Liechtenstein with limited liability)

Financial Information Disclosure Statements (Unaudited)
for the six months ended 30 June 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 30 Jun 2024	For the year ended 30 Jun 2023
Interest income	1,401,310	1,216,455
Interest expenses	(1,182,460)	(969,773)
Other operating income		
Gains less losses arising from trading in foreign currencies	66,885	73,513
Gains less losses on securities held for trading purposes	84,480	79,144
Gains less losses from other trading activities	65,869	49,883
Net fees and commission income		
Gross fees and commission income	683,441	730,392
Gross fees and commission expenses	(66,072)	(63,130)
Others	236,966	117,282
Operating income	1,290,419	1,233,766
Operating expenses		
Staff and rental expenses	(736,970)	(679,847)
Other expenses	(508,293)	(477,178)
Change in other provisions	22	40
Change in allowances for expected credit losses	(228)	128
Profit before taxation	44,950	76,909
Tax expense	(4,400)	(22,064)
Profit after taxation	40,550	54,845

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II Balance Sheet Information

(in thousands of Hong Kong Dollars)

	30 Jun 2024	31 Dec 2023
Assets		
Due from Exchange Fund	102,118	93,936
Cash and balances with banks	6,835,420	6,063,469
Amount due from overseas offices of the institution	29,271,272	30,157,595
Investment securities	6,079,302	6,161,240
Loans and receivables	14,390,078	14,519,626
Investment in subsidiary	40,264	40,264
Fixed assets	551,915	583,025
Intangible assets	972,347	1,005,915
Total assets	<u>58,242,716</u>	<u>58,625,070</u>
Liabilities		
Deposits and balances from banks	73,594	23,024
Deposit from customers		
Demand deposits and current accounts	5,500,044	5,964,536
Time, call and notice deposits	40,541,968	40,913,487
Amount due to overseas offices of the institution	9,459,107	8,938,498
Provision for commitments and contingent liabilities	-	22
Other liabilities	2,668,003	2,785,503
Total liabilities	<u>58,242,716</u>	<u>58,625,070</u>

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III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1)	Cash and balances with banks	30 Jun 2024	31 Dec 2023
	Cash and balances with banks	6,836,730	6,064,510
	Less: Allowances for expected credit losses	(1,310)	(1,041)
		6,835,420	6,063,469
(2)	Loans and receivables	30 Jun 2024	31 Dec 2023
	Loans and advances to customers	12,894,449	13,310,791
	Loans and advances to banks	269,886	76,803
	Less: Allowances for expected credit losses	(286)	(330)
		13,164,049	13,387,264
	Accrued interest receivables	305,729	391,338
	Unrealized gains on derivative instruments	706,955	561,064
	Other accounts	213,345	179,960
		1,226,029	1,132,362
		14,390,078	14,519,626

(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 2024		31 Dec 2023	
	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	-	-
Financial concerns	761,547	761,450	651,533	651,255
Individuals				
Others	3,790,610	3,782,776	3,800,132	3,800,093
Loans and advances for use outside Hong Kong	8,317,292	8,011,244	8,859,126	8,771,969
	12,894,449	12,580,470	13,310,791	13,223,317

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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 2024	31 Dec 2023
British Virgin Islands	4,186,947	4,431,096
Hong Kong	4,689,561	4,585,633
	<u>8,876,508</u>	<u>9,016,729</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 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 2024 and 31 December 2023 .
- (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 2024 and 31 December 2023.
- (7) There were no overdue loans and advances to customers and banks, balances with banks as at 30 June 2024 and 31 December 2023.
- (8) There were no repossessed assets, and no rescheduled loans and advances to customers and banks, balances with banks as at 30 June 2024 and 31 December 2023.
- (9) There were no overdue other assets at LGT HK as at 30 June 2024 and 31 December 2023.

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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 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
	Banks	Official Sector	Non-bank private sector	Non-financial private sector	Total
31 Dec 2023			Non-bank financial institution		
Developed countries	39,246,259	42,739	909,250	1,286,900	41,485,148
of which					
- Liechtenstein	34,859,007	-	5,017	3,072	34,867,096

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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 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%		
31 Dec 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	379,725	1,125	380,850
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	22,093	907	23,000
Total	401,818	2,032	403,850
Total assets after provision	58,625,048		
On-balance sheet exposures as percentage of total assets	0.69%		

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VI Currency Risk

(in thousands of Hong Kong Dollars)

	USD	
30 Jun 2024		
Spot assets	33,542,710	
Spot liabilities	(33,530,170)	
Forward purchases	5,472,334	
Forward sales	(5,470,164)	
Net options position	-	
Net long (or net short) position	<u><u>14,710</u></u>	
	USD	CHF
31 Dec 2023		
Spot assets	33,320,975	3,305,096
Spot liabilities	(33,372,773)	(3,328,188)
Forward purchases	7,400,960	2,174,820
Forward sales	(7,313,440)	(2,160,590)
Net options position	-	-
Net long (or net short) position	<u><u>35,722</u></u>	<u><u>(8,862)</u></u>

At 30 June 2024, USD (31 December 2023: 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 2024 and 31 December 2023.

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 2024	31 Dec 2023
Contingent Liabilities and Commitments		
Contractual Amount		
Direct credit substitutes	897,180	928,004
Transaction-related contingent items	1,289	1,289
Amount owing on partly paid shares and securities	934,521	935,931
Other commitments	27,023,517	27,227,093

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

	30 Jun 2024	31 Dec 2023
Derivatives		
Contractual / Notional Amount		
Exchange rate contracts	24,043,293	28,920,852
Interest rate contracts	854,405	864,284
Equity contracts	10,562,602	9,295,150
Others	8,927,787	5,285,081
	<u>44,388,087</u>	<u>44,365,367</u>

	30 Jun 2024		31 Dec 2023	
	Fair value assets	Fair value liabilities	Fair value assets	Fair value liabilities
Exchange rate contracts	222,378	217,563	214,613	208,054
Interest rate contracts	18,537	18,116	15,116	14,637
Equity contracts	300,307	300,307	270,354	270,354
Others	165,733	165,224	60,981	60,081
	<u>706,955</u>	<u>701,210</u>	<u>561,064</u>	<u>553,126</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 2024	30 Jun 2023
Average liquidity maintenance ratio ("LMR")	59.91%	55.40%

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)

Financial Highlights of LGT Group (Consolidated Basis):

(in thousands of Swiss Francs, except ratios)

I Capital and Capital Adequacy

	31 Dec 2023	31 Dec 2022
Capital adequacy ratio	19.9%	19.1%
Shareholders' funds	5,987,025	6,021,758

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 2023	31 Dec 2022
Total assets	58,134,973	61,104,559
Total liabilities	52,147,948	55,082,801
Total loans and advances	33,213,867	34,564,496
Total customer deposits	41,778,734	44,339,919
	For the year ended 31 Dec 2023	For the year ended 31 Dec 2022
Pre-tax profit	459,329	487,974