



Media release

LGT reports very good results for 2015

Continued high growth and strong net asset inflows of 7%

Vaduz, 17 March 2016. **Following a strong performance in the first six months of 2015, LGT also reported very good results for the second half. Group profit rose by 28% to CHF 211.0 million for the full year. Increased income (+14%), and a moderate rise in costs (+8%), despite continuing investments in human resources and IT capabilities, contributed to this result. Net asset inflows totaled CHF 8.8 billion, representing 7% growth rate.**

Economic volatility and monetary policy effects characterized the 2015 financial year. Against this backdrop, LGT significantly increased total operating income by 14% to CHF 1149.3 million year-on-year. Net interest and similar income rose by 25% to CHF 115.3 million, reflecting efficient balance sheet management. Income from services was up 12% to CHF 783.7 million, attributable to both a larger asset base and strong client activity. Income from trading activities and other operating income rose 16% to CHF 250.4 million.

Total operating expenses increased by a moderate 8% to CHF 818.8 million in the period under review. Personnel expenses accounted for CHF 631.9 million (+6%) of this increase, mainly attributable to staff recruitment and performance-related compensation in line with better performance. Business and office expenses increased by 13% to CHF 186.9 million.

The cost-income ratio improved from 75.4% at the end of 2014 to 71.2% as at 31 December 2015. Depreciation, amortization and provisions rose from CHF 56.2 million last year to CHF 110.7 million for 2015. This increase was driven in part by the straight line amortization of intangible assets from a private banking portfolio integrated in 2015 and by litigation provisions.

Overall, group profit increased by 28% to CHF 211.0 million in 2015. LGT is very well capitalized with high levels of liquidity. The tier 1 ratio was 20.1% as at 31 December 2015, compared to 18.4% for the previous year.

Strong net asset inflows

In 2015, LGT generated net asset inflows totaling CHF 8.8 billion, a growth of 7% that exceeds the strong performance reported for the previous year. Positive net asset inflows in both Private Banking and Asset Management contributed to this development. Assets under management grew by 2.7% to CHF 132.2 billion compared to year-end 2014, despite negative currency effects.

Acquisition of a majority stake in UK-based Vestra Wealth

Following the acquisition announced on 14 March 2016 of a majority stake of approximately 75% in Vestra Wealth LLP – a successful London-based wealth management boutique that manages assets of GBP 5.6 billion – LGT now also has a significant foothold in the British private banking market. This important step is in line with LGT's international growth strategy, and gives the bank access to UK-based clients and the independent financial advisers business. LGT also benefits from London's preeminent position as a hub for clients from other countries. The transaction is subject to approval by the FCA.

Profitable growth strategy

Since the beginning of 2011, LGT has acquired a total of approx. CHF 40 billion in net new assets. Over the same period, the group's assets under management have increased by over 50%, from CHF 86.1 billion to CHF 132.2 billion, which is in part attributable to targeted acquisitions.

This international growth has resulted in revenue diversification, economies of scale and (despite an ongoing high level of investment in new business areas) increased and broad-based profitability. Efficient operating platforms, such as LGT's centralized IT infrastructure and services, have also made an important contribution to this development. A decisive factor in the successful development of the company remains its stable ownership structure, which allows for a long-term orientation and low management and staff turnover.

LGT has continuously expanded and enhanced its service offering in both Private Banking and Asset Management. Key factors that are highly valued by clients are the group's professional investment management capabilities, an open product architecture, as well as the possibility to invest alongside the owners of LGT, the Princely Family of Liechtenstein. LGT is continuously expanding its alternative investment expertise, and is a leading provider in this space, particularly in the private equity and hedge fund segments, as well as in insurance-linked investments.

Outlook

LGT is optimistic in its business outlook for 2016 and beyond.

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT: "Our consistently high level of growth and very good results for 2015 are the result of our commitment to pursuing our long-term international growth strategy, and our constant efforts to enhance quality. We will continue on this path, and therefore offer our clients and employees a high degree of stability, which is of immense value, particularly in this challenging environment."

LGT in brief

LGT is a leading international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family for over 80 years. As per 31 December 2015, LGT managed assets of CHF 132.2 billion (USD 132.2 billion) for wealthy private individuals and institutional clients. LGT employs over 2200 people who work out of more than 20 locations in Europe, the Americas, Asia and the Middle East. www.lgt.com

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Key figures as per 31.12.2015

	31.12.2015	31.12.2014	Change (in %)
Consolidated income statement (in CHF m)			
Net interest and similar income	115.3	92.5	24.7
Income from services	783.7	701.8	11.7
Income from trading activities and other operating income	250.4	215.5	16.2
Total operating income (in CHF m)	1 149.3	1 009.8	13.8
Personnel expenses	631.9	595.5	6.1
Business and office expenses	186.9	165.5	13.0
Total operating expenses (in CHF m)	818.8	761.0	7.6
Depreciation, amortization and provisions	110.7	56.2	97.1
Tax and minority interests	8.8	27.6	-68.1
Group profit (in CHF m)	211.0	165.0	27.9
Assets under management (in CHF bn)	132.2	128.8	2.7
Net asset inflow (in CHF bn)	8.8	7.1*	23.9
Accretion through acquisition (in CHF bn)	--	7.3	
Total assets (in CHF bn)	34.2	35.5	-3.6
Group equity capital (in CHF m)	3 314	3 354	-1.2
Ratios (in %)			
Cost/income ratio	71.2%	75.4%	
Tier 1 ratio	20.1%	18.4%	
Liquidity Coverage Ratio	142.7%	130.0%	
Headcount	2 212	2 081	6.3
Rating Moody's/Standard & Poor's for LGT Bank Ltd.	Aa2/A+	A1/A+	

* Without acquired portfolio

Final Audit: 28 April 2016