VALUES WORTH SHARING

Annual Report 2021

LGT Group

Johann Jakob Schmidt, detail from "View on Vaduz from the Red House," 1833

A look inside the Princely Collections: Whether they capture views of Liechtenstein, the Via Mala Gorge or Lake Attersee – the impressive landscape paintings in the Princely Collections were painted by acclaimed masters of the day. For example, Josef Höger, who was nicknamed the "Raphael of Trees" for his atmospheric and at the same time dramatic forest- and mountainscapes. Or Thomas Ender, who combined painting with his scientific interest in topography and thus captured the landscapes he had traveled to with the greatest artistic mastery while remaining true to nature.

For more than 400 years, the Princes of Liechtenstein have been passionate art collectors. The Princely Collections include key works of European art stretching over five centuries and are now among the world's major private art collections. The notion of promoting fine arts for the general good enjoyed its greatest popularity during the Baroque period. The House of Liechtenstein has pursued this ideal consistently down the generations. We make deliberate use of the works of art in the Princely Collections to accompany what we do.

For us, they embody those values that form the basis for a successful partnership with our clients: expertise, reliability and a long-term perspective.

Cover image: Ludwig Hans Fischer, detail from "View of Vaduz Castle from the south," 1907

www.liechtensteincollections.at

Contents

“LGT’s client focus, clear strategy as well as agility will remain key to its continued success in 2022.”

H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT

LGT at a glance

LGT is a leading international Private Banking and Asset Management Group that has been fully controlled by the Liechtenstein Princely Family for over 90 years. As at 31 December 2021, LGT managed assets of CHF 285.8 billion (USD 313.7 billion) for wealthy private individuals and institutional clients. LGT employs over 4100 people who work out of more than 20 locations in Europe, Asia, the Americas and the Middle East.

Business areas

LGT Private Banking

Wealth management services for private clients, including:

- Investment advice and portfolio management
- Trading advice and execution
- Loan and credit facilities
- Philanthropy advisory and impact investing
- Wealth planning and family governance

LGT is present in Liechtenstein, Switzerland, Austria, the United Kingdom, Hong Kong, Singapore, Dubai, Thailand and Japan. These platforms have the principal focus of addressing the specific needs of wealthy private clients and offer access to state-of-the-art investment services. LGT also manages the financial investments of the Liechtenstein Princely Family.

LGT Asset Management – LGT Capital Partners

Discretionary investment management of institutional client mandates and investment funds (operating under the LGT Capital Partners brand).

LGT Capital Partners is a global leader in managing alternative investments and multi-asset products with an excellent track record spanning over 20 years. An international team of over 650 specialists manages the assets of more than 600 institutional investors including pension funds, insurance companies, sovereign wealth funds, banks and foundations. In addition to its headquarters in Pfäffikon SZ, Switzerland, LGT Capital Partners has offices in Raleigh, New York, Dublin, Frankfurt, London, Paris, Vaduz, Dubai, Beijing, Hong Kong, Tokyo and Sydney.

Reorganization of LGT Group

In May 2020, the Foundation Board of LGT Group decided to dissolve the Group structure and that its private banking, asset management and impact investing activities would in the future be conducted by three independent, pure-play companies, each in their respective fields. This decision reflects the decreasing synergies within the Group and the different markets and competitive environments of these businesses. Their positioning as independent companies will allow them to develop their strategy in line with their specific needs. No changes will arise for private banking and asset management clients as a result of the new structure, and LGT Private Banking and LGT Capital Partners will continue their successful collaboration.

Following the decision to reorganize LGT Group the impact investing operations were separated at the beginning of 2021 with LGT Capital Partners to follow.

Long-term strategy and corporate philosophy

LGT's private ownership and efficient governance facilitate quick and independent decision-making based on a long-term perspective with regard to corporate strategy and development. For more than 20 years, LGT has pursued two strategic priorities: the international expansion and diversification of its private banking business, as well as the establishment of outstanding global investment capabilities to serve the needs of the Liechtenstein Princely Family and of institutional and private clients. To maximize the alignment of interests between LGT's clients, employees and the shareholder, an important part of LGT's philosophy has been that the Princely Family and employees co-invest in a substantial manner alongside clients. In a world of growing social and environmental pressures, LGT looks to create value for both the business and society – ideally increasing growth and profits while at the same time having a positive impact for the principal stakeholders, society and the environment.

Thinking and acting sustainably has always been a top priority for LGT. As a company, LGT believes it is responsible for the social and environmental impact of its business activities. As an intermediary between investors and capital-seeking businesses and organizations, it strives to ensure that capital is invested sustainably from both an environmental and a social perspective. LGT also makes responsible use of the resources needed to conduct its business and encourages its suppliers to manufacture their products in a sustainable manner.

Conservative balance sheet – financial stability

LGT has a healthy balance sheet, a high level of liquidity and is very well capitalized. Its equity capital is substantially above the regulatory requirements and reflects the financial strength of the company in international comparison. LGT Bank Ltd. is one of the world's few international private banks to have its creditworthiness assessed by independent rating agencies such as Standard & Poor's (A+) and Moody's (Aa2).

Organizational structure

Foundation Board	H.S.H. Prince Max von und zu Liechtenstein, Chairman[1, 2] H.S.H. Prince Hubertus von und zu Liechtenstein[1, 2] K B Chandrasekar[3, 4] Karen Fawcett[3, 4] Mark Jordy Prof. Dr. Conrad Meyer[3, 4] Thomas Piske[1, 2]
Senior Management Board	H.S.H. Prince Max von und zu Liechtenstein, CEO LGT Dr. André Lagger, CEO LGT Financial Services Dr. Roberto Paganoni, CEO LGT Capital Partners Olivier de Perregaux, CFO LGT Thomas Piske, CEO Private Banking
Internal Audit	Daniel Hauser, Head Group Internal Audit
External Audit	PricewaterhouseCoopers AG, Zurich

[1] Member of the HR Nomination Committee
[2] Member of the HR Compensation Committee
[3] Member of the Audit Committee
[4] Member of the Risk Committee

Financial highlights

		2021	2020	2019	2018	2017
Assets under administration	**CHF m**	**285 802**	**240 705**	**227 892**	**198 243**	**201 782**
Net new assets	**CHF m**	**29 254**	**11 584**	**13 856**	**6 757**	**35 985**
of which net new money	CHF m	24 758	11 584	13 856	6 757	17 684
of which through acquisition	CHF m	4 496	0	0	0	18 301
Total operating income	**CHF m**	**2 132**	**1 853**	**1 818**	**1 676**	**1 537**
Group profit	**CHF m**	**353**	**292**	**308**	**314**	**283**
Appropriation of Foundation earnings and dividends	**CHF m**	**-285[1]**	**-135**	**-145**	**-125**	**-150**
Group equity capital	**CHF m**	**6 047**	**4 837**	**4 619**	**4 112**	**4 113**
Total assets	**CHF m**	**52 876**	**49 870**	**49 438**	**43 444**	**41 893**
Ratios						
Tier 1	%	22.1	21.9	19.9	17.6	18.8
Cost/income ratio	%	75.2	75.0	74.1	74.0	73.8
Liquidity coverage ratio	%	168.1	221.6	218.3	203.3	237.7
Headcount at 31 December		**4 114**	**3 838**	**3 662**	**3 405**	**3 188**
Rating[2]						
Moody's		Aa2	Aa2	Aa2	Aa2	Aa2
Standard & Poor's		A+	A+	A+	A+	A+

[1] Proposed
[2] LGT Bank Ltd., Vaduz

Chairman's report

H.S.H. Prince Max von und zu Liechtenstein (right) and Olivier de Perregaux

LGT reported excellent results for the 2021 financial year. In an overall favorable market environment, the client business saw strong growth across all regions, underscoring the quality and breadth of LGT's investment offering in all major asset classes. Client interest in sustainable investments, one of LGT's core competencies for numerous years, further increased in 2021.

LGT Group's total operating income rose 15% to CHF 2.13 billion in 2021 due to a strong increase in income from services of 33% to CHF 1.58 billion. Income from portfolio management, which rose substantially on the back of the higher asset base, as well as the brokerage business and significantly higher performance-based revenues all contributed to this result. In contrast, net interest income of CHF 204.5 million (down 11%) continued to be impacted by the negative interest rate environment, and income from trading activities and other operating income of CHF 345.5 million (down 21%) reflected higher hedging costs and lower income from the bond portfolio.

Business and office expenses increased 13% to CHF 302.4 million, as LGT continued to invest in the expansion of its business and in its IT infrastructure. A 16% rise in personnel expenses to CHF 1.30 billion reflects organic and acquisition-related staff growth as well as higher performance-based compensation. Overall, total operating expenses increased 14% year on year to CHF 1.73 billion.

The cost-income ratio remained stable at 75.2% as at the end of 2021, compared with 75.0% as at 31 December 2020. Group profit was CHF 352.8 million for 2021, up 21% year on year. LGT is very well capitalized with a tier 1 capital ratio of 22.1% as at 31 December 2021, and has a high level of liquidity.

Record net asset inflows

LGT's exceptionally strong net new asset generation in previous years continued in 2021, where net asset inflows totaled a record CHF 24.8 billion, corresponding to an organic growth

rate of 10.3%. Both the private banking and the asset management businesses contributed to this strong growth across regions, with LGT Private Banking generating new asset inflows of CHF 13.8 billion and LGT Capital Partners CHF 11.0 billion. LGT Private Banking contributed an additional CHF 4.5 billion in client assets from the acquisition of UBS's wealth management business in Austria.

Assets under management were CHF 285.8 billion as at the end of 2021, up 19% year on year, reflecting the net new assets as well as positive market and investment performance. As at the end of 2021, LGT Private Banking and LGT Capital Partners had assets under management of CHF 206 billion and CHF 78 billion, respectively.

Private Banking: selectively growing its international business

Over the last 20 years, LGT has pursued a consistent international growth and diversification strategy in Private Banking. With locations in Switzerland, the UK, Singapore, Hong Kong, Liechtenstein, Austria, UAE, Thailand and Japan, it focuses on attractive private banking hubs with access to growing markets. In 2021, LGT continued to selectively grow its international presence and, in July, completed its acquisition of UBS's wealth management business in Austria, where LGT is now the leading private bank. In November, LGT opened a new wealth management office in Tokyo, and in December the bank announced that it would expand its private banking business to Asia-Pacific with the acquisition of Crestone Wealth Management, Australia's leading wealth manager for high-net-worth individuals. In Europe, the collaboration with LIQID, a digital asset manager in which LGT acquired a strategic minority stake in 2022, was launched successfully. In addition, LGT is exploring various options for re-establishing a local private banking presence in Germany. Finally, it continued to make progress with regard to its digital capabilities, hosting online client events and improving digital communication channels as well as further enhancing its online platform for intermediary clients.

Asset management: steady asset inflows in alternative asset classes

LGT's asset management business caters to international institutional clients who are primarily invested in alternative asset classes and multi-asset products and to private clients of LGT Private Banking. It executes its investment strategies through direct investments with internal teams as well as leading external managers. The strong demand from institutional and private investors for alternative asset classes continued during 2021 due to their attractive risk-return profile and the persistent low interest rate environment. LGT Capital Partners reported steady net asset inflows across all of these asset classes. During the year under review, it further built its international investment hubs and distribution capabilities and increased its focus on holistic ESG integration in a growing number of institutional markets.

Impact of COVID-19 and invasion of Ukraine

In 2021, the impact of the COVID-19 pandemic was considerably lower than in the previous year. Nonetheless, LGT continued its measures aimed at safeguarding the well-being of employees and clients as well as ensuring operational continuity. At the beginning of 2022, the less dangerous Omicron variant has become dominant, and the crisis has abated. However, a renewed rapid surge of the pandemic, e.g. caused by new variants of COVID-19, cannot be excluded. This could negatively impact the worldwide economy as well as financial markets and asset prices, which in turn could negatively impact LGT's income, client assets and its financial position. LGT therefore continues to closely monitor the relevant developments, to maintain its high level of responsiveness and to swiftly implement the necessary measures.

Since the end of February 2022, the political situation in Europe has been characterized by great uncertainty. Russia's invasion of Ukraine has upended the status quo. LGT's long-term focus and risk-conscious approach are proving to be important and correct in this difficult environment. In view of the uncertain political situation and the resulting high volatility on international stock markets, LGT is positioning itself very cautiously. It is continuously monitoring the developments, and assessing and implementing any necessary measures, in close contact with its counterparties and the supervisory authorities.

Strategy and outlook

LGT started 2022 with strong momentum and, with its presence in key international markets and broad investment expertise, is well positioned to achieve further profitable growth. LGT has an established business in core European markets as well as in Asia, the Americas and the Middle East, making it one of the few private banks that can offer clients a global platform.

Proven investment expertise in all major asset classes remains one of the main drivers of LGT's successful business with high-net and ultra-high-net-worth clients. In the future, LGT will further leverage this expertise through technological and

digital applications. LGT continues to place a strong focus on sustainable investments and expand its range of related solutions. It has offered in-house sustainable equity and bond funds since 2009, and portfolio management mandates with a focus on sustainability since 2019. In 2022, it will launch a new product offering in Europe that will provide advisory clients with a range of sustainable investment solutions. In the impact investing segment, LGT Private Banking very successfully launched its first impact fund last year in cooperation with its partner company Lightrock.

The new management structures of the now independent Group business units LGT Private Banking, LGT Capital Partners and Lightrock were successfully introduced in 2021. Lightrock was established as a separate legal entity in 2021; similar steps are planned for LGT Private Banking and LGT Capital Partners.

Talent development and employee satisfaction remain key priorities across all of LGT's businesses. In 2021, LGT Private Banking was certified for the first time by the international consulting and research institute Great Place to Work. In its list of "Best Workplaces in Europe", LGT was the only financial institution to rank among the top 25 in the "Multinational" category in 2021.

LGT's centennial was a good year in every respect. Despite the ongoing pandemic, LGT continued to serve its clients as a reliable partner and further expanded its investment offering, which had a very positive impact on its results. In addition, LGT grew its international presence in various regions, from Europe and Japan to Australia. It also set an important agenda in the area of sustainability and committed to reducing net emissions to zero by 2030, both in its operations and its own investments. Last but not least, LGT became more digital in 2021, while also further strengthening its client relationships and corporate culture. LGT's client focus, clear strategy as well as agility will remain key to its continued success in 2022.

Sustainability Report

The 2021 LGT Sustainability Report, published in May 2022, explains in detail the sustainability targets we are pursuing and the specific measures we implemented during the reporting period. The report can be downloaded from our website or ordered online. **www.lgt.com**

Josef Höger, detail from "The Wetterhorn near Grindelwald," 1868

Corporate governance

LGT and its ultimate parent, LGT Group Foundation, are beneficially owned solely by H.S.H. Reigning Prince Hans-Adam II von und zu Liechtenstein through the Prince of Liechtenstein Foundation (POLF). The POLF names the Foundation Board of LGT Group Foundation. The Group's Foundation Board meets at least four times a year and has constituted four separate committees (HR Compensation Committee, HR Nomination Committee, Risk Committee as well as Audit Committee). The committees assist the Foundation Board in fulfilling its oversight responsibilities by law and internal or external regulations. Each committee is authorized by the Foundation Board to oversee any activity within its terms of reference.

The HR Compensation Committee reviews the compensation guidelines of the Group, discusses and determines amendments to or the creation of compensation plans and proposes the compensation of the Senior Group Management. The compensation system supervised by the HR Compensation Committee consists of a fixed and a variable compensation component, as well as long-term incentive scheme (LTIS). As a privately held company, LGT has developed an internal LTIS based on an option scheme. Senior management and other key people are entitled to participate in the LTIS. The LTIS is calculated according to a predefined formula which includes, in particular, the result of operating activities, the investment performance of the Princely Portfolio and the Group's cost of capital. LTIS options are granted yearly and can be exercised between three to seven years after grant. In addition to direct compensation, the employees have the possibility to co-invest directly in client products. These co-investments are at the full risk/benefit of the subscribing employee.

The HR Nomination Committee defines and reviews the performance appraisal, development and succession plans of the Senior Group Management, discusses and reviews the talent management situation and development of LGT and reviews the personnel and HR risk reporting of LGT.

The activities of the Risk Committee include a periodic review of the general risk limits, risk strategy and framework including an assessment of the risk tolerance/appetite as well as a regular assessment of adequacy of the group wide risk organization.

The activities of the Audit Committee include the review of financial information, monitoring the adequacy of the system of internal controls and of the compliance framework which management and the Board Members have established. It further reviews legal and regulatory matters that may have a material impact on the Group and monitors the qualifications, independence and performance of the external auditors and Group Internal Audit. The external auditors are re-evaluated on a regular basis.

The consolidated LGT is supervised by the Liechtenstein Financial Market Authority (FMA). Companies outside Liechtenstein are supervised by their local authorities.

Although it is a privately held company, LGT aims to follow the standard practices of public companies; therefore LGT applies a transparent and proactive communication policy. Since 1997, LGT Bank Ltd. is rated by Moody's and Standard & Poor's and LGT Group applies International Financial Reporting Standards (IFRS).

Consolidated financial statements of LGT Group

Statutory auditor's report

Statutory auditor's report

to the Foundation Supervisory Board of LGT Group Foundation

Vaduz

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of LGT Group Foundation and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2021, the consolidated balance sheet as at 31 December 2021 and the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 22 to 93) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and with the provisions of Liechtenstein law.

Basis for opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: CHF 60.4 million

We concluded full scope audit work at 14 reporting units in seven countries. Our audit scope addressed 89% of the Group's operating income and 94% of the Group's net assets. In addition, we have performed analytical procedures over the remaining reporting units.

As key audit matters, the following areas of focus were identified:

- Impairment of loans and advances to customers
- Goodwill impairment assessment
- Valuation of the provisions for operational risk

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	CHF 60.4 million
Benchmark applied	Total equity
Rationale for the materiality benchmark applied	We chose total equity as the benchmark because, in our view, it is the benchmark that best represents the solvency and stability of the Group and it is of major relevance for economic decisions made by the owners, customers and the regulator.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to customers

Key audit matter

We consider the impairment of loans and advances to customers as a key audit matter because they represent the largest item on the consolidated balance sheet. Furthermore, the Foundation Board has significant scope to apply judgement when estimating the present value of future cash flows of loans and advances from the customers.

As of 31 December 2021, the Group has CHF 19.4 billion of outstanding loans and advances to customers, of which 0.1% were assessed as impaired.

Refer to note 12.2 on page 32 (Accounting principles), note 12 on page 46 (Notes) and note 5.6 on pages 88 to 89 (Risk management).

How our audit addressed the key audit matter

We assessed the controls relating to the identification of impaired loans and advances to customers and tested their effectiveness. In particular, we tested the relevant IT-based controls.

Further, we tested a sample of loans and advances to customers with regard to the existence of an impairment event (the moment from which an individual impairment should be recorded). Where an individual impairment had been recorded, we checked whether the Group's forecasts of cash flows from the customers concerned were plausible and consistent with the individual impairment made. In doing so, we challenged the assumptions and compared them with independently obtained information.

We examined a sample of loans and advances to customers for which the Group had not identified an impairment event (by reference to the impairment criteria for loans and advances to customers as set out in the Risk management on pages 88 to 89). We applied our own judgement as to whether the Foundation Board's conclusions were appropriate.

Our audit did not give rise to any objections regarding the impairment of loans and advances to customers.

Goodwill impairment assessment

Key audit matter

We consider the goodwill impairment assessment as a key audit matter because the Foundation Board has significant scope for judgement in estimating the value of the cash-generating units (CGU), in general, and the client asset multiple to be applied, in particular.

Goodwill of CHF 590.0 million is allocated to the CGUs "Business Unit Private Banking" (CHF 557.2 million) and "Business Unit Asset Management" (CHF 32.8 million).

Refer to note 10.1 on page 30 (Accounting principles) and note 17 on page 50.

How our audit addressed the key audit matter

We assessed whether the Group's approach to identifying the CGUs was appropriate and that the Group correctly allocated goodwill to each of these CGUs.

We benchmarked the Group's assumptions, by comparing its client asset multiples with the client asset multiples of comparable listed organisations. In addition, we estimated independently an appropriate control premium based on recent transactions comparable with the CGUs concerned.

We performed sensitivity analyses on the main assumptions to determine the extent of the change required in them, either individually or collectively, that would cause the goodwill to be impaired.

Our audit did not give rise to any objections regarding the impairment assessment of the intangible assets' goodwill.

Valuation of the provisions for operational risks

Key audit matter	How our audit addressed the key audit matter
We consider the valuation of the provisions for operational risks as a key audit matter because the Group operates in a regulatory and legal environment that exposes it to the risk of litigation as well as to regulatory proceedings. The Foundation Board has significant scope for judgement in estimating the provisions for operational risks. This applies in particular to assessing the outcome of litigation and regulatory proceedings against the Group. As of 31 December 2021, the Group has provisions for operational risks in the amount of CHF 42.4 million. *Refer to note 21 on page 35 (Accounting principles) and note 25 on page 53.*	We examined the analyses performed by the Group that form the basis for the valuation of the provisions required for the settlement of litigation and regulatory proceedings. The evidence we examined included, in particular, correspondence with external parties. Further, we used our understanding of the Group's business and our inspection of its business correspondence to assess the completeness of the provisions. With regard to as yet unidentified risks, we tested a sample of client complaints by inspecting the associated correspondence. In this way, we were able to assess the existence of systematic weaknesses for which provisions might have to be made. We also considered externally available information and assessed its potential implications for the Group. Our audit did not give rise to any objections regarding the valuation of the provisions for operational risks.

Other information in the annual report

The Foundation Board is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the chairman's report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Foundation Board for the consolidated financial statements

The Foundation Board is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and Liechtenstein law, and for such internal control as the Foundation Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Foundation Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Foundation Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements or, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Foundation Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Foundation Board or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Foundation Board or the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independenceto, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Foundation Board or the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further Information pursuant to Article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the Foundation Supervisory Board on 22 April 2021. We have been the statutory auditor of the Foundation without interruption since the financial year ending 31 December 2001.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

Further, we declare that no prohibited non-audit services pursuant to Article 5 in accordance with Article 10 para. 2 lit. f Regulation (EU) No. 537/2014 Article 5 para. 1 Regulation (EU) No. 537/2014 were provided.

Further Confirmations pursuant to Article 196 PGR

The chairman's report (pages 8 to 10) has been prepared in accordance with the applicable legal requirements, is consistent with the consolidated financial statements and, in our opinion, based on the knowledge obtained in the audit of the consolidated financial statements and our understanding of the Group and its environment does not contain any material misstatements.

We further confirm that the consolidated financial statements comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying consolidated financial statements submitted to you be approved.

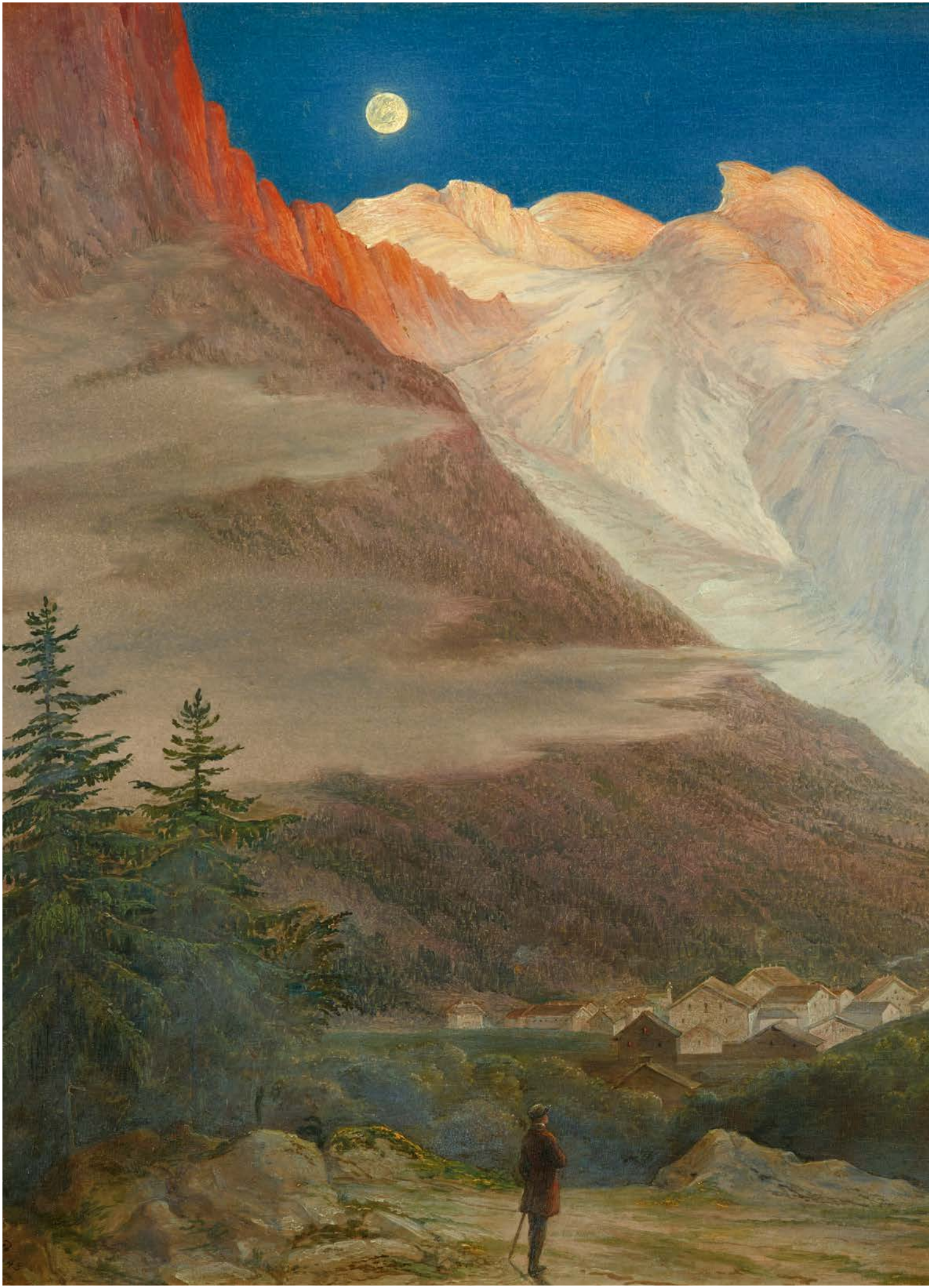
PricewaterhouseCoopers AG

Roman Berlinger

Philipp Gämperle

Liechtenstein Certified Public Accountant
Auditor in charge

Zurich, 27 April 2022



Ludwig Ferdinand Schnorr von Carolsfeld, detail from "The valley of Chamonix with the Mont Blanc," 1848

Consolidated income statement

Consolidated income statement (TCHF)	Note	2021	2020	Change absolute	Change %
Interest income		376 720	514 671	-137 951	-27
Interest expense		-170 669	-266 678	96 009	-36
Net interest income	1	**206 050**	**247 993**	**-41 943**	**-17**
Credit loss expense/recovery	2	-1 556	-17 285	15 729	-91
Net interest income after credit losses		**204 494**	**230 707**	**-26 213**	**-11**
Income from services	3	1 582 192	1 185 236	396 956	33
Income from trading activities	4	305 980	335 695	-29 715	-9
Other operating income	5	39 553	101 507	-61 954	-61
Total operating income		**2 132 219**	**1 853 145**	**279 074**	**15**
Personnel expenses	6	-1 302 033	-1 120 765	-181 267	16
Business and office expenses	7	-302 409	-268 645	-33 764	13
Depreciation, amortization and provisions	8	-124 639	-131 231	6 592	-5
Total operating expenses		**-1 729 080**	**-1 520 641**	**-208 439**	**14**
Operating profit before tax		**403 139**	**332 505**	**70 634**	**21**
Tax expense	9	-50 367	-40 956	-9 411	23
Profit for the year		**352 772**	**291 549**	**61 224**	**21**
Attributable to:					
Equity holders of the parent entity		352 772	291 549	61 223	21
Non-controlling interests		1	0	0	310

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (TCHF)	Note	2021	2020	Change absolute	Change %
Profit for the year		**352 772**	**291 549**	**61 224**	**21**
Other comprehensive income, net of tax					
Other comprehensive income that may be reclassified to the income statement					
Foreign currency translation		-7 826	-23 882	16 056	-67
Changes in value of debt instruments at fair value through other comprehensive income	26	4 175	-1 093	5 268	-482
Changes in value of cash flow hedge	26	-2 457	493	-2 950	-599
Total other comprehensive income that may be reclassified to the income statement		**-6 108**	**-24 483**	**18 375**	**-75**
Other comprehensive income that may not be reclassified to the income statement					
Actuarial gains/losses on defined benefit plans	26	221 425	-87 229	308 654	-354
Changes in value of equity instruments at fair value through other comprehensive income	26	775 171	185 557	589 613	318
Total other comprehensive income that may not be reclassified to the income statement		**996 596**	**98 328**	**898 268**	**914**
Total comprehensive income for the year, net of tax		**1 343 259**	**365 394**	**977 865**	**268**
Attributable to:					
Equity holders of the parent entity		1 343 259	365 394	977 865	268
Non-controlling interests		1	0	0	310

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated balance sheet

Consolidated balance sheet (TCHF)	Note	2021	2020	Change absolute	Change %
Assets					
Cash in hand, balances with central banks	10	10 952 202	10 508 851	443 351	4
Loans and advances to banks	11	5 300 433	5 294 824	5 609	0
Loans and advances to customers	12	19 404 758	17 645 425	1 759 333	10
Securities held for trading purposes	13	1 334 272	1 192 045	142 227	12
Derivative financial instruments	31	867 554	1 146 914	-279 360	-24
Investment securities at fair value	14	12 127 422	11 396 018	731 404	6
Property and equipment	15	131 479	133 589	-2 110	-2
Right-of-use assets	16	275 213	241 046	34 167	14
Intangible assets	17	778 931	703 545	75 387	11
Prepayments and accrued income		414 813	257 575	157 238	61
Deferred tax assets	9	63 337	95 659	-32 322	-34
Other assets	18	1 225 213	1 254 812	-29 599	-2
Total assets		**52 875 628**	**49 870 305**	**3 005 324**	**6**
Liabilities					
Amounts due to banks	19	1 720 995	2 478 363	-757 368	-31
Amounts due to customers	20	39 871 882	36 918 383	2 953 499	8
Derivative financial instruments	31	1 011 868	1 405 996	-394 128	-28
Financial liabilities designated at fair value	21	252 397	232 680	19 717	8
Certificated debt	22	2 373 830	2 449 161	-75 331	-3
Accruals and deferred income		87 727	84 016	3 711	4
Current tax liabilities		45 278	37 725	7 553	20
Deferred tax liabilities	9	37 167	34 777	2 390	7
Lease liabilities	16	273 410	237 971	35 439	15
Other liabilities	24	1 079 890	1 069 362	10 528	1
Provisions	25	74 360	85 050	-10 690	-13
Total liabilities		**46 828 805**	**45 033 486**	**1 795 319**	**4**
Equity					
Foundation capital		339 044	339 044	0	0
Retained earnings		3 689 505	3 313 114	376 391	11
Foreign currency translation		-81 503	-73 676	-7 827	11
Other reserves	26	2 099 300	1 257 861	841 439	67
Total equity and reserves attributable to LGT's equity holders		**6 046 345**	**4 836 342**	**1 210 003**	**25**
Non-controlling interests		478	477	1	0
Total equity		**6 046 823**	**4 836 819**	**1 210 004**	**25**
Total liabilities and equity		**52 875 628**	**49 870 305**	**3 005 324**	**6**

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

Consolidated statement of changes in equity (TCHF)	Foundation capital[1]	Retained earnings	Foreign currency translation	Other reserves	Total attributable to LGT's equity holders	Non-controlling interests	Total
1 January 2021	**339 044**	**3 313 114**	**-73 676**	**1 257 861**	**4 836 342**	**477**	**4 836 819**
Profit for the year	**0**	**352 772**	**0**	**0**	**352 772**	**1**	**352 772**
Other comprehensive income, net of tax							
Foreign currency translation	0	0	-7 826	0	-7 826	0	-7 826
Changes in value of debt instruments at fair value through other comprehensive income	0	0	0	4 175	4 175	0	4 175
Changes in value of cash flow hedge	0	0	0	-2 457	-2 457	0	-2 457
Actuarial gains/losses	0	0	0	221 425	221 425	0	221 425
Changes in value of equity instruments at fair value through other comprehensive income	0	0	0	775 171	775 171	0	775 171
Total other comprehensive income, net of tax	**0**	**0**	**-7 826**	**998 314**	**990 488**	**0**	**990 488**
Total comprehensive income	**0**	**352 772**	**-7 826**	**998 314**	**1 343 259**	**1**	**1 343 260**
Reclassification within equity due to realization of equity instruments at fair value through other comprehensive income	0	160 875	0	-160 875	0	0	0
Other changes	0	-2 256	0	4 000	1 744	0	1 744
Transactions with owners							
Appropriation of Foundation earnings and dividends	0	-135 000	0	0	-135 000	0	-135 000
Total transactions with owners	**0**	**-135 000**	**0**	**0**	**-135 000**	**0**	**-135 000**
31 December 2021	**339 044**	**3 689 505**	**-81 503**	**2 099 300**	**6 046 345**	**478**	**6 046 823**

[1] Foundation capital is fully paid and cannot be broken down to units.

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (TCHF)	Foundation capital[1]	Retained earnings	Foreign currency translation	Other reserves	Total attributable to LGT's equity holders	Non-controlling interests	Total
1 January 2020	**339 044**	**3 086 853**	**-49 794**	**1 242 385**	**4 618 488**	**477**	**4 618 965**
Profit for the year	**0**	**291 549**	**0**	**0**	**291 549**	**0**	**291 549**
Other comprehensive income, net of tax							
Foreign currency translation	0	0	-23 882	0	-23 882	0	-23 882
Changes in value of debt instruments at fair value through other comprehensive income	0	0	0	-1 093	-1 093	0	-1 093
Changes in value of cash flow hedge	0	0	0	493	493	0	493
Actuarial gains/losses	0	0	0	-87 229	-87 229	0	-87 229
Changes in value of equity instruments at fair value through other comprehensive income	0	0	0	185 557	185 557	0	185 557
Total other comprehensive income, net of tax	**0**	**0**	**-23 882**	**97 728**	**73 846**	**0**	**73 846**
Total comprehensive income	**0**	**291 549**	**-23 882**	**97 728**	**365 394**	**0**	**365 394**
Reclassification within equity due to realization of equity instruments at fair value through other comprehensive income	0	83 392	0	-83 392	0	0	0
Other changes	0	-3 680	0	1 140	-2 540	0	-2 540
Transactions with owners							
Appropriation of Foundation earnings and dividends	0	-145 000	0	0	-145 000	0	-145 000
Total transactions with owners	**0**	**-145 000**	**0**	**0**	**-145 000**	**0**	**-145 000**
31 December 2020	**339 044**	**3 313 114**	**-73 676**	**1 257 861**	**4 836 342**	**477**	**4 836 819**

[1] Foundation capital is fully paid and cannot be broken down to units.

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated cash flow statement

Consolidated cash flow statement (TCHF)	Note	2021	2020
Cash flow from operating activities			
Profit after tax		352 772	291 549
Impairment, depreciation, provisions		102 919	133 576
Tax expense	9	50 367	40 956
Changes in accrued income and expenses[1]		-196 684	-455 902
Interest and similar income received		374 701	526 372
Interest paid		-167 177	-244 145
Income tax paid		-44 691	-37 485
Cash flow from operating activities before changes in operating assets and liabilities		**472 207**	**254 920**
Loans and advances to banks		832 731	1 932 687
Loans and advances to customers		-1 763 934	2 895 713
Trading securities		-142 227	794 152
Financial instruments at fair value through profit or loss		45 682	8 401
Amounts due to banks		-757 136	802 080
Amounts due to customers		2 955 759	-873 488
Other assets and other liabilities[1]		97 467	-343 306
Cash flow from changes in operating assets and liabilities		**1 268 341**	**5 216 239**
Net cash flow from operating activities		**1 740 548**	**5 471 159**
Cash flow from investing activities			
Proceeds from sales of property and equipment	15	443	87
Purchase of property and equipment	15	-29 864	-27 080
Proceeds from sales of intangible assets	17	0	100
Purchase of subsidiaries and intangible assets	17	-109 105	-2 637
Cash outflow from change in the scope of consolidation		-4 836	0
Proceeds from sales of investment securities		14 093 629	11 919 223
Purchase of investment securities		-14 091 180	-13 282 172
Net cash flow from investing activities		**-140 912**	**-1 392 480**
Cash flow from financing activities			
Payment of lease liabilities	16, 23	-46 189	-48 285
Issue of certificated debt	23	272 024	321 790
Repayment of certificated debt	23	-346 871	-41 351
Dividends paid to beneficiary		-135 000	-145 000
Net cash flow from financing activities		**-256 037**	**87 153**
Effects of exchange rate changes on cash		-62 497	-45 719
Change in cash and cash equivalents		**1 281 102**	**4 120 114**
At the beginning of the period	10, 11	14 015 493	9 895 380
At the end of the period	10, 11	15 296 596	14 015 493
Change in cash and cash equivalents		**1 281 102**	**4 120 114**
Cash and cash equivalents comprise:			
Cash in hand, balances with central banks	10	10 952 202	10 508 851
Due from banks at sight	11	4 344 393	3 506 642
Total cash and cash equivalents		**15 296 596**	**14 015 493**

[1] The comparative 2020 figures erroneously included gross up impacts relating to other assets. Consequently, "changes in accrued income and expenses" was restated from CHF -253.7m to CHF -455.9m and "other assets and other liabilities" was restated from CHF -545.5m to CHF -343.3m resulting in no impact to net cash flows from operating activities. After the restatement, all non-cash adjustments relating to other assets are correctly included within the line item "other assets and other liabilities".

Notes to the consolidated financial statements
Group accounting principles

1. Introduction

LGT Group Foundation, Herrengasse 12, Vaduz, Principality of Liechtenstein, is the holding company of LGT, a global financial services institution. The beneficiary of LGT Group Foundation is the Prince of Liechtenstein Foundation. The beneficiary of the Prince of Liechtenstein Foundation is the reigning Prince of Liechtenstein, H.S.H. Prince Hans-Adam II von und zu Liechtenstein.

The terms "LGT Group", "LGT" or "Group" mean LGT Group Foundation together with its subsidiary undertakings and the term "Company" refers to LGT Group Foundation.

2. Presentation of amounts

The Group publishes its financial statements in thousand Swiss francs (TCHF) unless otherwise stated.

Due to rounding, the numbers presented in this report may not add up precisely to the totals provided in the tables and text.

3. Accounting principles

The consolidated financial statements for the financial year 2021 are prepared in accordance with International Financial Reporting Standards (IFRS). LGT has applied IFRS rules since 1996. A summary of the principal Group accounting policies is set out below.

H.S.H. Prince Max von und zu Liechtenstein, Chairman, and Olivier de Perregaux, CFO of LGT considered the consolidated financial statements on 11 April 2022. They were approved for issue by the Audit Committee of the LGT Group Foundation Board on 27 April 2022. The Foundation Board approved the consolidated financial statements for issue on 27 April 2022. The accounts were presented for approval at the Foundation Meeting to the Foundation Supervisory Board on 27 April 2022. The Foundation Board proposed to the Foundation Meeting of 27 April 2022 the distribution of CHF 285 million to the Prince of Liechtenstein Foundation. The accounts on pages 22 to 93 were approved by the Foundation Board on 27 April 2022 and are signed on its behalf by H.S.H. Prince Max von und zu Liechtenstein, Chairman, and Olivier de Perregaux, CFO of LGT.

4. Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Intercompany transactions, balances as well as gains and losses on transactions between Group companies are eliminated. Subsidiaries are deconsolidated from the date that control ceases. A list of the Group's principal subsidiary undertakings is provided in note 34.

5. Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are recognized in the income statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

6. Foreign currencies

6.1. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Swiss francs, which is the Group's presentation currency.

6.2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Translation differences on non-monetary items, such as equity instruments classified as investment securities measured at fair value through other comprehensive income under IFRS 9 are included in other reserves in equity.

6.3. Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate on the date of that balance sheet;
- income and expenses for each account of the income statement are translated at average exchange rates;
- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on the sale. Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

7. Foreign exchange rates

The foreign exchange rates for the major currencies which have been applied are as follows:

		2021
	Average rate	Year-end rate
CHF per 1 USD	0.9143	0.9111
CHF per 1 EUR	1.0809	1.0361
CHF per 1 GBP	1.2577	1.2342

		2020
	Average rate	Year-end rate
CHF per 1 USD	0.9386	0.8838
CHF per 1 EUR	1.0703	1.0812
CHF per 1 GBP	1.2040	1.2076

8. Income from services

LGT earns revenues by providing various services, which are recognized in accordance with IFRS 15. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized:

1. identify the contract with a customer
2. identify the performance obligations in the contract
3. determine the transaction price
4. allocate the transaction price to the performance obligations in the contract
5. recognize revenue when the Group satisfies a performance obligation

Income from services is measured based on the consideration specified in a legally enforceable contract and can be divided into two categories: Fees for services provided over time (e.g. private banking and investment management services), which constitute by far the largest portion of the Group's fee and commission income, and fees for services provided at a point in time (e.g. brokerage fees).

Investment management and administration fee income is generally based on the average amount of relevant assets under administration during the period when the service is rendered and recognized proportionately in profit or loss over the relevant period. These fees are invoiced on specific dates, usually at the end of a quarter. In the case of variable revenues, such as performance fees, recognition can only take place to the extent that it is highly probable that a significant reversal will not occur. This is generally only the case once all performance criteria have been met. Fees for services provided at a point in time are generally based on the corresponding transaction volume. They are invoiced to the client once the service has been rendered and at the same time, these revenues are recognized in profit or loss.

The disclosure relating to commission and fee income is provided in note 3.

9. Property and equipment

Property and equipment and their subsequent costs are stated at cost less accumulated depreciation and accumulated impairment losses. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Property and equipment are periodically reviewed for impairment. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Depreciation is done on a straight-line basis, from the date of purchase, over the estimated useful life of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Estimated asset lives vary in line with the following:

Real estate	50 years
Leasehold improvements	period of lease
IT equipment	3–5 years
Office equipment	5 years
Motor vehicles	4 years

10. Intangible assets

10.1. Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on a business combination of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

10.2. Software

Software acquired by the Group is stated at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three to ten years.

10.3. Other intangible assets

Other intangible assets are recognized on the balance sheet at cost determined at the date of acquisition and are amortized using the straight-line method over their estimated useful economic life, not exceeding 20 years.

At each balance sheet date other intangible assets are reviewed for indications of impairment or changes in estimated future benefits. If such indication exists, an analysis is performed to assess whether the carrying amount of other intangible assets is fully recoverable. An impairment is charged if the carrying amount exceeds the recoverable amount.

11. Financial instruments

11.1. Measurement methods

Amortized cost and effective interest rate

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and interest points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest income and expense

Interest income and expense are recognized in the income statement for all debt instruments measured at fair value through other comprehensive income or amortized cost using the effective interest method.

Negative interest on assets and liabilities is accrued in the period in which it is incurred and is presented within interest expense or interest income, respectively.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through profit or loss and at fair value through other comprehensive income are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Immediately after initial recognition, an expected credit loss (ECL) allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

12. Financial assets

12.1. Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- fair value through profit or loss (FVPL);
- fair value through other comprehensive income (FVOCI); or
- amortized cost.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on the business model for managing the assets and the cash flow characteristics of the asset. Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortized cost:
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL allowance recognized and measured as described in note 5 (Risk management). Interest income from these financial assets is included in interest income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI):
  Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flow represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in income from investment securities. Interest income from these financial assets is included in interest income using the effective interest method.
- Fair value through profit or loss (FVPL):
  Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognized in profit or loss and presented in the income statement as income from trading activities in the period in which it arises. This category has two sub-categories: financial assets held for trading, and those designated at FVPL at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The Group designates financial assets at FVPL when the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- Solely payment of principal and interest (SPPI):
  Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payment of principal and interest (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.
  Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.
- Business model:
  The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Group's business model for the mortgage loan book is to hold to collect contractual cash flows. Another example is the liquidity portfolio of assets, which is held by the Group as part of liquidity management and is generally classified within the hold to collect and sell business model.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments
Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. The Group subsequently measures all equity investments at FVPL, except where the management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other operating income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in income from trading activities in the statement of profit or loss.

12.2. Impairment
The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognizes an impairment allowance for such losses at each reporting date. The measurement of ECL reflects: an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Note 5 (Risk management) provides more detail of how the ECL allowance is measured.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

12.3. Modification of loans and derecognition
The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. A restructuring or modification of a financial asset could lead to a substantial change in the terms and conditions, resulting in the original financial asset being derecognized and a new financial asset being recognized.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

13 Precious metals
Precious metals are valued at the market value on the balance sheet date.

14. Financial liabilities
14.1. Classification and subsequent measurement
In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for financial guarantee contracts and loan commitments as well as financial liabilities at FVPL. The latter classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition.

The Group designates financial liabilities at FVPL when either
- the liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

IFRS 9 retains the fair value option for financial liabilities, but requires that the amount of change in fair value attributable to changes in the own credit risk of the liability be presented in other comprehensive income without reclassification to the

income statement. There were no own credit adjustments on the financial liabilities designated at FVPL, set out in note 21, for the years 2020 and 2021.

15. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for an incurred loss because a specified debtor fails to make payments when due in accordance with the terms of a specified debt instrument. LGT issues such financial guarantees to banks, financial institutions and other parties on behalf of clients to secure loans, overdrafts and other banking facilities. For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision.

16. Borrowings

Borrowings are recognized initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction cost incurred. Borrowings are subsequently stated at amortized cost, any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

17. Other liabilities

Other liabilities are reported at amortized cost. Interest and discounts are taken to net interest and similar income on an accrual basis.

18. Derivative financial instruments and hedging

The Group elected to continue to apply the hedge accounting requirements of IAS 39.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. In the case of hedging transactions involving derivative financial instruments, on the inception of the transaction it is determined whether the specific transaction is

- a hedge of the value of a balance sheet item (a fair value hedge), or
- a hedge of a future cash flow or obligation (a cash flow hedge).

Derivatives categorized in this manner are treated as hedging instruments in the financial statements if they fulfill the following criteria:

- existence of documentation that specifies the underlying transaction (balance sheet item or cash flow), the hedging instrument as well as the hedging strategy/relationship,
- effective elimination of the hedged risks through the hedging transaction during the entire reporting period (high correlation),
- sustained high effectiveness of the hedging transaction.

A hedge is regarded as highly effective if actual results are within a range of 80 to 125 percent.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that prove to be highly effective in relation to the hedged risk are recorded in the income statement, along with the corresponding change in the fair value of the hedged asset or liability that is attributable to that specific hedged risk. The fair value change of the hedged item in a portfolio hedge of interest rate risks is reported separately from the hedged portfolio in other assets or other liabilities as appropriate.

If the hedge no longer meets the criteria for hedge accounting, in the case of interest-bearing financial instruments the difference between the carrying amount of the hedged position at that time and the value that this position would have exhibited without hedging is amortized to net profit or loss over the remaining period to maturity of the original hedge. In the case of non-interest-bearing financial instruments, on the other hand, this difference is immediately recorded in the income statement.

Changes in the fair value of derivatives that have been recorded as a cash flow hedge, that fulfill the criteria mentioned above and that prove to be effective in hedging risk are reported under other reserves in Group equity capital. If the hedged cash flow or the obligation leads to direct recognition in the income statement, the hedging instrument's cumulative gains or losses from previous periods in Group equity capital are included in the income statement in the same period as the hedged transaction.

Certain derivative transactions represent financial hedging transactions and are in line with the risk management principles of the Group. However, in view of the strict and specific guidelines of IFRS, they do not fulfill the criteria to be treated as hedging transactions for accounting purposes. They are therefore reported as trading positions. Changes in value are recorded in the income statement in the corresponding period.

19. Interest rate benchmark reform

Due to the global reform of major interest rate benchmarks, the publication of London Interbank Offered Rates (LIBORs) will cease after 31 December 2021 for all non-US dollar LIBORs as well as for one-week and two-month USD LIBOR, all other USD LIBOR maturity terms will cease to be published on 30 June 2023.

LGT's LIBOR exposure was mainly linked to CHF LIBOR and USD LIBOR. The alternative reference rate (ARR) for CHF LIBOR is the Swiss Average Rate Overnight (SARON). The ARR for USD LIBOR is the Secured Overnight Financing Rate (SOFR); in addition, there are recommended ARRs for GBP LIBOR, JPY LIBOR and EUR LIBOR.

During 2021, LGT converted substantially all its private loans linked to non-USD LIBORs. As of 31 December 2021, LGT had approximately USD 445.8 million equivalent US dollar-denominated issued bonds that reset directly on USD LIBOR. LGT holds derivatives for trading and hedging purposes, including those in hedge accounting relationships, of which interest rate swaps with a value of CHF -19.2 million and a notional amount of CHF 1 574.4 have floating legs subject to LIBOR exposure.

20. Measurement of fair values

For financial instruments traded in active markets, the measurement of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges as well as exchange traded derivatives.

A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For all other financial instruments, fair value is measured using valuation techniques. In these techniques, fair values are measured from observable data in respect of similar financial instruments, using models to measure the present value of expected future cash flows or other valuation techniques, using inputs (for example, relevant interest rate curves or FX rates) existing at the consolidated balance sheet dates.

The Group uses widely recognized valuation models for measuring fair values of financial instruments where no active market exists, such as derivatives transacted in the over-the-counter (OTC) market. Some of the inputs to these models are market observable, otherwise they are estimated based on assumptions. The Group either uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry, or obtains valuations from specialized providers.

The output of a model is always a measure or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair value of OTC derivatives is measured using valuation methods that are commonly accepted in the financial markets, such as present value techniques and option pricing models. The fair value of foreign exchange forwards is generally based on current forward exchange rates.

Private equity investments for which market quotations are not readily available are valued at their fair values as determined in good faith by the respective Board of Directors in consultation with the investment manager. In this respect, investments in other investment companies (fund investments) which are not publicly traded are normally valued at the underlying net asset value as advised by the managers or administrators of these investment companies, unless the respective Board of Directors is aware of good reasons why such a valuation would not be the most appropriate indicator of fair value.

In estimating the fair value of private equity fund investments, the respective Board of Directors considers all appropriate and applicable factors (including a sensitivity to non-observable market factors) relevant to their value, including but not limited to the following:

- reference to the fund investment's reporting information including consideration of any time lags between the date of the latest available reporting and the balance sheet date of the respective Group entity in those situations where no December valuation of the underlying fund is available. This includes a detailed analysis of exits (trade sales, initial public offerings, etc.) which the fund investments have gone through in the period between the latest available reporting

and the balance sheet date of the respective Group entity, as well as other relevant valuation information. This information is a result of continuous contact with the investment managers and, specifically, by monitoring calls made to the investment managers, distribution notices received from the investment managers in the period between the latest available report and the balance sheet date of the respective Group entity, as well as the monitoring of other financial information sources and the assessment thereof;
- reference to transaction prices;
- result of operational and environmental assessments: periodic valuation reviews are made of the valuations of the underlying investments as reported by the investment managers to measure if the values are reasonable, accurate and reliable. These reviews include a fair value estimation using widely recognized valuation methods such as multiple analysis and discounted cash flow analysis;
- review of management information provided by the managers/administrators of the fund investments on a regular basis; and
- mark-to-market valuations for quoted investments held by the managers/administrators of the fund investments which make up a significant portion of the relevant Group entity's net asset value.

If the respective Board of Directors comes to the conclusion upon recommendation of the investment manager after applying the above-mentioned valuation methods, that the most recent valuation reported by the manager/administrator of a fund investment is materially misstated, it will make the necessary adjustments using the results of its own review and analysis. Typically, the fair value of such investments are remeasured based on the receipt of periodic (usually quarterly) reporting provided to the investors in such vehicles by the managers or administrators. For new investments in such vehicles, prior to the receipt of fund reporting, the investments are usually valued at the amount contributed, which is considered to be the best indicator of fair value.

21. Provisions

Provisions for restructuring costs, legal claims and other operational risk are recognized, when the Group has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation and when the amount has been reliably estimated.

22. Fiduciary transactions

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

23. Repurchase and reverse repurchase transactions (repo transactions)

Repo transactions are used to refinance and fund money market transactions. They are entered in the balance sheet as advances against collateral and cash contributions or with pledging of securities held in the Group's own account. Securities provided to serve as collateral thus continue to be posted in the corresponding balance sheet positions – securities received to serve as collateral are not reported in the balance sheet. Interest resulting from the transactions is posted as net interest income.

24. Securities lending and borrowing transactions

Securities lending is recorded at the value of cash deposits which have been received or made, including interest accrued.

Securities which have been borrowed or accepted as collateral are only recorded in the balance sheet if the bank gains control of the contractual rights contained in these securities. Securities lent or provided as collateral are only taken off the balance sheet if the bank loses the contractual rights associated with these securities. The market values of the securities which have been either borrowed or lent are monitored daily so that additional collateral can be provided or requested where necessary.

Income arising from securities lending and repurchase transactions, which have been received or paid, are entered as interest income and interest expense.

25. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Or a contingent liability is a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

26. Leasing

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for the use of the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. The Group determines its incremental borrowing rate based on the risk free rate and a liquidity spread from various external financing sources in the relevant currency and maturity band.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statement over the lease period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items with a value of less than CHF 5 000.

27. Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise liquid assets including cash in hand, balances with central banks and due from banks at sight.

28. Taxation

Corporate tax payable is provided on the taxable profits of Group companies at the applicable current rates. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets attributable to time differentials or accountable loss carry forwards are recognized if there is a probability that sufficient taxable profits will be available to offset such differentials of loss carry forwards.

29. Employee benefits

29.1. Short- and medium-term benefits

Salaries are recognized in the income statement upon payment. The amount for bonuses is accrued and will be paid at the beginning of the following year. For deferred bonuses the payout is spread over several years.

Senior management and other key people of the Group are entitled to participate in a long-term incentive scheme. The incentive scheme gives the holder the possibility to participate in the development of the economic value added of the Group. In principle, the economic value added represents the operating profit of the Group and the return on LGT's Princely Portfolio after adjustments for capital and refinancing costs. Options granted under the scheme cannot be exercised for a period of three years from the date of grant of option and are exercisable within three to seven years from the date of grant of option. The annual costs of the scheme are charged to the income statement. The accruals are shown as other liabilities until their realization.

For employees being classified as "Risk Takers" under the European Banking Authority (EBA) standards, the HR Compensation Committee ensures that any variable compensation awarded is structured in line with regulatory requirements, including a maximum ratio of fixed to variable compensation of 1:2, a minimum deferral of 50% in instruments, or an ex-post risk adjustment through malus and clawback provisions. To satisfy

the minimum deferral requirement of 50% and to support the alignment of interests between the Risk Takers and the owners of LGT, the variable compensation of the Risk Takers might be awarded in form of LTIS or a cash deferral plan (Value Alignment Plan, VAP). The LTIS allocated to Risk Takers can be exercised between four to seven years. In case of exercise after four years there will be an additional blocking period of one year. The VAP is accrued during the performance year but is subject to a five-year vesting period, during which 1/5 of the invested sum will be transferred to the Employee each year after a one year blocking period. In the balance sheet, VAP accruals are part of the amounts due for bonus payments in other liabilities and in the income statement, VAP is recognized as bonus in personnel expenses.

29.2. Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method and takes the specific features of each plan including risk sharing between the employee and employer into account. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets and the effect of the asset ceiling (if any), are recognized immediately in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

30. Assets under administration

Assets under administration are stated according to the provisions of the Liechtenstein banking law.

31. Events after the reporting period

Agreement to acquire Crestone Wealth Management

On 15 December 2021, LGT entered into a conditional agreement to acquire 100% of Crestone Wealth Management, Australia's leading high-net-worth wealth management firm. The transaction is subject to Crestone shareholder approval.

Crestone provides investment advice and portfolio management services to high-net-worth clients and family offices, not-for-profit organizations, and financial institutions in the Australian market. Created in 2016 following a management buy-out of UBS Wealth Management Australia, as at 31 December 2021 the business managed approx. AUD 26 billion (CHF 17 billion) in client assets and had over 250 employees, including more than 90 investment advisors, in its offices in Adelaide, Brisbane, Melbourne and Sydney. Crestone's shareholder base is composed of its founders, managers and employees.

Upon closing of the transaction, which is scheduled for the second quarter of 2022, Crestone will become part of LGT Private Banking.

Acquisition of strategic minority stake in LIQID

In March 2022, LGT Private Banking acquired a strategic minority stake of approx. 30% in the Germany-based digital wealth manager LIQID. In the future, LGT will contribute to the development of LIQID's investment strategy for its wealth management offering, thus making LGT's investment expertise available to LIQID clients. In early 2021, LIQID's client assets reached the EUR 1 billion mark.

As LGT has significant influence over LIQID but does not exercise full control, LIQID is accounted for using the equity method. The impact on the balance sheet at the time of the acquisition is CHF 79 million.

Russia-Ukraine crisis

Since the Russian invasion of Ukraine at the end of February 2022, the political situation in Europe has been characterized by great uncertainty. In response, Liechtenstein, Switzerland, the United States, the EU, the United Kingdom and other countries around the world have imposed strict sanctions on the Russian financial system, such as restrictions on Russian banks' access to the SWIFT financial messaging service, as well as on Russian government officials and Russian business leaders. LGT has set up a Group-wide task force that continuously monitors the impact of the situation on its clients, on its business activities and on its investments, and initiates appropriate measures. LGT is consistently implementing the relevant sanctions. Its financial stability is not affected by the current developments.

LGT has no material direct country risk exposure or material reliance on collateral from Russia, Ukraine or Belarus within LGT's Lombard portfolio. The imposition of exchange controls, sanctions, market closures or other measures may limit LGT's ability to settle existing transactions or liquidate collateral. LGT is therefore, among other measures, closely monitoring the settlement risk on certain FX transactions (especially in Russian currency) with its correspondent banks. LGT notes that these recent developments may have an impact on its financial performance, including credit losses and potential asset impairments. While it currently has no indications of any material loss potential, it is not yet possible to fully estimate the extent of such potential losses at this early stage.

32. Management's judgments

The Group makes estimates and assumptions that affect the amounts reported in the financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. This note provides an overview of the areas that involve a higher degree of judgment or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year.

32.1. Measurement of the expected credit loss (ECL) allowance

The measurement of the ECL allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL are further detailed in note 5 (Risk management).

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing forward-looking scenarios for each type of product and the associated ECL; and
- establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgments and estimates made by LGT in the above areas is set out in note 5 (Risk management).

32.2. Impairment of goodwill

The fair value of goodwill is reviewed annually and management assesses whether an impairment charge needs to be recognized.

32.3. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets is measured by using valuation techniques. Where valuation techniques (for example models) are used to measure fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them.

Changes in assumptions could affect reported fair value of financial instruments. For example, to the extent that management used a tightening of 20 basis points in the credit spread, the fair value of derivative financial instruments would be measured at TCHF -162 125 (2020: TCHF -272 738) as compared with their reported fair value of TCHF -144 314 (2020: TCHF -259 081) on the balance sheet date.

32.4. Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

33. Changes in accounting policies, comparability and other adjustments

33.1. Standards and interpretations that have been adopted

The Group applied the following new and revised standards and interpretations for the first time in the financial year beginning on 1 January 2021:

- Amendments to IFRS 16 Leases – COVID-19-related rent concessions amendment (effective 30 June 2020 and until 30 June 2021)
- Amendments to IFRS 9 Financial instruments, IAS 39 Financial instruments: Recognition and measurements, IFRS 7 Financial instruments: Disclosures, IFRS 4: Insurance contracts, IFRS 16 Leases – Phase 2: interest rate benchmark reform (effective 1 January 2021)

The adoption did not have a material impact on the reported results or financial position of the Group.

33.2. Standards and interpretations that have not yet been adopted

New and revised standards and interpretations were published that must be applied for financial years beginning after 1 January 2021. The Group has chosen not to adopt these in advance.

Based on initial analyses, the following new and revised standards and interpretations which have to be applied for financial years beginning after 1 January 2021 are not expected to have any significant impact on the reported results or financial position of the Group:

- Amendments to IFRS 16 Leases – COVID-19-related rent concessions amendment (effective 1 April 2021 and until 30 June 2022)
- Amendment to IFRS 3 Business combinations – Reference to conceptual framework (effective 1 January 2022)
- Amendment to IAS 16 Property, plant and equipment – Proceeds before intended use (effective 1 January 2022)
- Amendment to IAS 37 Provisions, contingent liabilities and contingent assets – Onerous contracts – costs of fulfilling a contract (effective 1 January 2022)
- Amendment to IFRS 9 Financials instruments – Fees included in the 10% test for derecognition of financial liabilities (effective 1 January 2022)
- IFRS 17 Insurance contracts (effective 1 January 2023, early adoption permitted)
- Amendment to IAS 1 Presentation of financial statements – Classification of liabilities as current or non-current (effective 1 January 2023)
- Amendment to IAS 1 Presentation of financial statements and IFRS Practice Statement 2 – Disclosure of accounting policies (effective 1 January 2023)
- Amendment to IAS 8 Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates (effective 1 January 2023)
- Amendment to IAS 12 Income Taxes – Deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023)
- Amendment to IFRS 17 Insurance contracts and IFRS 9 Financial instruments – Comparative information (effective 1 January 2023)

Thomas Ender (1793–1875), detail from “View of the Saalach Valley near Lofer and the ‘Loferer Steinberge’ mountain range”

Details on the consolidated income statement

1 Net interest income (TCHF)	2021	2020
Interest income		
Interest income from banks	6 889	15 797
Interest income from customers	213 911	244 694
Total interest income from financial instruments measured at amortized cost	**220 800**	**260 490**
Interest income from investment securities at fair value through other comprehensive income	26 621	49 469
Interest income from investment securities at fair value through profit or loss	129 299	204 712
Total interest income	**376 720**	**514 671**
Interest expense		
Interest expense on amounts due to banks	-96 271	-97 586
Interest expense on amounts due to customers	-36 667	-108 031
Interest expense on certificated debt	-13 902	-16 607
Interest expense on lease liabilities	-2 867	-3 276
Total interest expense from financial instruments measured at amortized cost	**-149 708**	**-225 499**
Interest expense on investment securities at fair value through profit or loss	-20 962	-41 179
Total interest expense	**-170 669**	**-266 678**
Net interest income[1]	**206 050**	**247 993**

[1] Negative interest paid TCHF 65 690 (2020: TCHF 70 390), negative interest received TCHF 20 727 (2020: TCHF 14 717).

2 Credit loss expense/recovery (TCHF)	2021	2020
Credit loss expense	-2 536	-1 914
Recovery of credit loss	1 312	204
Expected credit loss expense/recovery[1]	-332	-15 576
Total credit loss expense/recovery	**-1 556**	**-17 285**

[1] Thereof recognition of TCHF 2 439 expected credit loss expense in connection with a financial guarantee for a pending acquisition (2020: 14 849).

3 Income from services (TCHF)	2021	2020
Commission income from securities and investment business		
Investment management fees	1 005 376	689 328
thereof net performance fees	181 513	43 744
Brokerage fees	244 656	208 578
Administration fees and other income from investment business	326 204	278 826
Total commission income from securities and investment business	**1 576 236**	**1 176 733**
Commission income from other services		
Lending business	7 205	6 777
Accounts and clearing business	22 383	21 385
Total commission income from other services	**29 588**	**28 161**
Commission expenses	-23 632	-19 658
Total income from services	**1 582 192**	**1 185 236**

4	Income from trading activities (TCHF)	2021	2020
	Foreign exchange, precious metals	142 380	174 203
	Interest and dividend income	28 597	35 978
	Profit/loss on securities trading	122 383	123 710
	Profit/loss on financial instruments designated at fair value	3 751	2 859
	Profit/loss on financial instruments mandatorily at fair value	187	-623
	Other trading activities	8 682	-432
	Total income from trading activities	**305 980**	**335 695**

5	Other operating income (TCHF)	2021	2020
	Income from investment securities		
	Net result on debt investment securities measured at fair value through other comprehensive income	0	1 187
	Dividends on equity investment securities measured at fair value through other comprehensive income	17 797	80 780
	thereof related to investments held at the end of the reporting period	17 797	80 780
	Total income from investment securities	**17 798**	**81 967**
	Other	21 755	19 540
	Total other operating income	**39 553**	**101 507**

6	Personnel expenses (TCHF)	Note	2021	2020
	Personnel expenses before long-term incentive scheme			
	Salaries		538 194	511 694
	Bonuses[1]		427 132	393 634
	Social security costs		81 684	67 477
	Pension costs	38	84 092	50 973
	Other personnel expenses		57 193	48 310
	Total personnel expenses before long-term incentive scheme		**1 188 293**	**1 072 088**
	Long-term incentive scheme	39	113 739	48 677
	Total personnel expenses		**1 302 033**	**1 120 765**
	Headcount at 31 December		4 114	3 838

[1] 2020 includes a one-time charge of TCHF 58 548 resulting from the earn-out payment in connection with the completion of the acquisition of LGT Vestra.

7	Business and office expenses (TCHF)	2021	2020
	Rents and office expenses	21 707	19 334
	IT expenses	88 862	77 085
	Information and communication expenses	46 460	45 503
	Travel and entertainment expenses	8 515	8 607
	Legal and professional expenses	61 834	52 227
	Advertising expenses	32 651	29 551
	General expenses	42 379	36 338
	Total business and office expenses	**302 409**	**268 645**

8 Depreciation, amortization and provisions (TCHF)	Note	2021	2020
Depreciation on property and equipment	15	31 095	29 301
Depreciation on right-of-use assets	16	46 518	47 620
Amortization of intangible assets	17	35 921	36 162
Other depreciation		1 680	3 037
Total depreciation, amortization and impairment		**115 214**	**116 120**
Provision for operational risks	25	4 040	10 441
Other provisions		475	116
Total changes in provisions		**4 515**	**10 557**
Other operating expenses		4 910	4 554
Total depreciation, amortization and provisions		**124 639**	**131 231**

9 Taxation (TCHF)	2021	2020
Income tax expense		
Current income tax expense	52 840	41 761
Deferred income tax expense	-2 473	-805
Total income tax expense	**50 367**	**40 956**
Reconciliation between the expected and the effective income tax expense		
Profit before tax	403 139	332 505
Income tax expense calculated at a tax rate of 12.5%[1] (2020: 12.5%)	50 392	41 563
Applicable tax rates differing from assumed tax rate	2 351	3 156
Use of tax losses carried forward	-113	-18
Income not subject to tax and expenses not deductible for tax purposes	-5 339	-5 082
Other impacts	3 075	1 336
Total income tax expense	**50 367**	**40 956**

[1] The rate used is the domestic tax rate in Liechtenstein.

Deferred income tax expense comprises the following temporary differences		
Losses available for offset against future taxable income	-1 162	-542
Accelerated depreciation for tax purposes	-288	-373
Provisions	-1 707	-330
Financial instruments	2 901	1 493
Pensions	-2 581	549
Intangible assets	-743	-674
Other temporary differences	1 108	-928
Total deferred income tax expense	**-2 473**	**-805**

	2021	2020
Deferred income tax assets and liabilities relate to the following items		
Deferred income tax assets		
Losses available for offset against future taxable income	10 581	10 383
Accelerated depreciation for tax purposes	5 342	4 969
Provisions	4 447	2 462
Financial instruments	1 338	2 261
Pensions	39 096	72 592
Other temporary differences	2 533	2 993
Total deferred income tax assets	**63 337**	**95 659**
Deferred income tax liabilities		
Accelerated depreciation for tax purposes	389	100
Provisions	-205	601
Financial instruments	11 471	8 468
Intangible assets	25 484	25 479
Other temporary differences	29	128
Total deferred income tax liabilities	**37 167**	**34 777**
Movement on the deferred income tax assets and liabilities is as follows:		
At 1 January	-60 884	-43 873
Income statement charge	-2 473	-805
Investment securities measured at fair value through other comprehensive income – debt instruments	-87	-72
Investment securities measured at fair value through other comprehensive income – equity instruments	576	-283
Actuarial gains/losses on defined benefit plans	36 078	-15 590
Other changes	118	67
Foreign currency translation	502	-329
At 31 December	**-26 170**	**-60 884**

Income tax on other comprehensive income	2021 Before tax	2021 Tax expense/ tax benefit	2021 Net of tax	2020 Before tax	2020 Tax expense/ tax benefit	2020 Net of tax
Foreign currency translation	-7 826	0	-7 826	-23 882	0	-23 882
Changes in value of debt instruments at fair value through other comprehensive income	4 088	87	4 175	-1 165	72	-1 093
Changes in value of cash flow hedge	-2 457	0	-2 457	493	0	493
Actuarial gains/losses on defined benefit plans	257 503	-36 078	221 425	-102 819	15 590	-87 229
Changes in value of equity instruments at fair value through other comprehensive income	775 747	-576	775 171	185 274	283	185 557
Other comprehensive income	**1 027 055**	**-36 567**	**990 488**	**57 901**	**15 944**	**73 846**

There are losses available for offset against future income, which are currently not shown in the balance sheet, as the utilization of the carry forward losses is uncertain.

Details on the consolidated balance sheet

10 Cash in hand, balances with central banks (TCHF)	2021	2020
Cash in hand	21 069	24 638
Balances with central banks	10 931 134	10 484 213
Total cash in hand, balances with central banks	**10 952 202**	**10 508 851**

11 Loans and advances to banks (TCHF)	2021	2020
Due from banks at sight	4 344 393	3 506 642
Due from banks fixed term	957 395	1 789 663
Loss allowance banks	-1 355	-1 481
Total loans and advances to banks	**5 300 433**	**5 294 824**

12 Loans and advances to customers (TCHF)	2021			2020		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Mortgage-backed	4 700 476	-11 854	4 688 621	4 606 593	-11 502	4 595 091
Other collateral	14 094 810	-5 701	14 089 109	12 427 921	-6 756	12 421 165
Without collateral	634 549	-7 522	627 027	637 172	-8 004	629 168
Total loans and advances to customers	**19 429 834**	**-25 077**	**19 404 758**	**17 671 686**	**-26 261**	**17 645 425**

Impairment allowance customers	2021				2020			
	Mortgage-backed	Other collateral	Without collateral	Total	Mortgage-backed	Other collateral	Without collateral	Total
At 1 January	11 502	6 756	8 004	26 261	14 731	5 697	7 128	27 556
Charges to allowance	2 400	315	884	3 599	1 254	1 393	1 376	4 024
Release of allowance	-2 552	-805	-1 033	-4 390	-384	-1 015	-77	-1 477
Allowance utilized	0	-137	-17	-154	-3 386	-49	-269	-3 703
Reclassifications	730	-566	-164	0	-698	759	-61	0
Currency translation	-225	138	-152	-239	-16	-31	-93	-140
At 31 December	**11 854**	**5 701**	**7 522**	**25 077**	**11 502**	**6 756**	**8 004**	**26 261**

Additional information about loans and advances is shown separately in note 5 (Risk management).

13 Securities held for trading purposes (TCHF)	2021	2020
Total securities held for trading purposes	**1 334 272**	**1 192 045**
thereof listed	1 019 790	929 667

14 Investment securities at fair value (TCHF)	2021	2020
Investment securities mandatorily measured at fair value through profit or loss	67 312	63 008
Investment securities designated at fair value through profit or loss	273 246	314 487
thereof securities designated at fair value to match financial liabilities through profit or loss	252 397	232 680
Investment securities measured at fair value through other comprehensive income – debt instruments	6 092 874	6 195 714
Investment securities measured at fair value through other comprehensive income – equity instruments	5 693 991	4 822 810
Total investment securities at fair value	**12 127 422**	**11 396 018**

Equity instruments at fair value through other comprehensive income (FVOCI)
LGT has elected the FVOCI option for equity instruments, because these investments were made for strategic purposes. The dividends recognized during the period are disclosed in note 5.

LGT's major equity instrument at FVOCI is:	2021 Fair value	2020 Fair value
Financial Investments SPC	5 283 801	4 541 232

Further the Group has various smaller investments in equity securities at FVOCI. The fair value of those instruments amounts to TCHF 410 190 (2020: TCHF 281 578).

The following investments were derecognized during the period:	2021 Fair value at the date of derecog-nition	2021 Cumulative gain or loss on disposal	2020 Fair value at the date of derecog-nition	2020 Cumulative gain or loss on disposal
Co-investments in investment companies	8 122	1 926	7 371	952
Strategic investments in investment companies	605 677	158 950	295 494	82 440
Total investments derecognized during the period	**613 799**	**160 875**	**302 865**	**83 392**

15 Property and equipment (TCHF)	Real estate	Leasehold improvements	IT/Office equipment	Motor vehicles	Total
Cost					
At 1 January 2021	217 084	75 405	135 464	541	428 494
Currency translation	0	-64	219	4	158
Additions	4 298	6 013	19 480	73	29 864
Disposals	0	-1 147	-13 566	-34	-14 747
Removal from change in the scope of consolidation	0	-119	-352	-121	-592
At 31 December 2021	**221 382**	**80 088**	**141 244**	**464**	**443 178**
Accumulated depreciation					
At 1 January 2021	141 010	52 366	101 168	361	294 905
Currency translation	0	30	207	1	238
Depreciation	4 904	6 811	19 307	74	31 095
Disposals	0	-1 087	-13 183	-34	-14 304
Removal from change in the scope of consolidation	0	-70	-142	-23	-234
At 31 December 2021	**145 914**	**58 051**	**107 356**	**378**	**311 699**
Net book value at 31 December 2021	**75 468**	**22 037**	**33 888**	**85**	**131 479**

Property and equipment	Real estate	Leasehold improvements	IT/Office equipment	Motor vehicles	Total
Cost					
At 1 January 2020	210 281	72 127	129 858	472	412 738
Currency translation	0	-1 843	-2 427	-9	-4 279
Additions	6 886	5 276	14 831	88	27 080
Disposals	-83	-155	-6 797	-10	-7 045
At 31 December 2020	**217 084**	**75 405**	**135 464**	**541**	**428 494**
Accumulated depreciation					
At 1 January 2020	136 301	47 475	91 068	282	275 126
Currency translation	0	-1 091	-1 472	-2	-2 565
Depreciation	4 709	6 135	18 369	89	29 301
Disposals	0	-154	-6 796	-8	-6 958
At 31 December 2020	**141 010**	**52 366**	**101 168**	**361**	**294 905**
Net book value at 31 December 2020	**76 074**	**23 039**	**34 296**	**181**	**133 589**

Insurance value of tangible assets	2021	2020
Insurance value	447 899	434 897

16 Leases (TCHF)

This note provides information for leases where the Group is a lessee. The Group leases various offices, equipment and vehicles.

Amounts recognized in the balance sheet:	2021	2020
Right-of-use assets		
Real estate	272 072	238 407
IT/Office equipment	1 231	983
Motor vehicles	1 909	1 656
Total right-of-use assets	**275 213**	**241 046**
Lease liabilities	**273 410**	**237 971**

Additions to the right-of-use assets during the 2021 financial year were TCHF 81 476 (2020: TCHF 74 541).

Amounts recognized in the income statement:	2021	2020
Depreciation charge on right-of-use assets		
Real estate	44 873	46 218
IT/Office equipment	925	849
Motor vehicles	719	553
Total depreciation on right-of-use assets	**46 518**	**47 620**
Interest expense leasing	2 867	3 276
Expenses relating to short-term leases	1 336	1 365
Expenses relating to leases of low-value assets, that are not short-term leases	39	29

The total cash outflow for leases in 2021 was TCHF 47 564 (2020: TCHF 49 679).

Further commitments in relation to leases:	2021	2020
Leases not yet commenced to which the lessee is committed	128	47

Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). As at 31 December 2021 potential future cash outflows, which have not been included in the lease liability are not material.

17 Intangible assets (TCHF)	Goodwill	Software	Other intangible assets	Total
Cost				
At 1 January 2021	536 208	180 968	328 417	1 045 593
Currency translation	1 630	-111	1 758	3 277
Additions[1]	75 322	1 502	32 281	109 105
Disposals	0	0	0	0
At 31 December 2021	**613 159**	**182 358**	**362 456**	**1 157 974**
Accumulated amortization and impairment				
At 1 January 2021	23 155	154 809	164 084	342 048
Currency translation	47	-8	1 035	1 074
Amortization	0	3 823	32 098	35 921
Disposals	0	0	0	0
At 31 December 2021	**23 202**	**158 624**	**197 217**	**379 043**
Net book value at 31 December 2021	**589 957**	**23 734**	**165 240**	**778 931**

[1] Additions to goodwill and other intangible assets are due to the acquisition of UBS Europe SE in Austria. Additional information is provided in note 42.

Intangible assets	Goodwill	Software	Other intangible assets	Total
Cost				
At 1 January 2020	551 319	180 392	361 431	1 093 142
Currency translation	-15 111	-99	-10 085	-25 295
Additions	0	830	1 808	2 637
Disposals	0	-155	-24 736	-24 892
At 31 December 2020	**536 208**	**180 968**	**328 417**	**1 045 593**
Accumulated amortization and impairment				
At 1 January 2020	23 301	151 176	159 804	334 281
Currency translation	-146	-1	-3 455	-3 603
Amortization	0	3 711	32 451	36 162
Disposals	0	-56	-24 736	-24 792
Reclassification	0	-21	21	0
At 31 December 2020	**23 155**	**154 809**	**164 084**	**342 048**
Net book value at 31 December 2020	**513 053**	**26 159**	**164 333**	**703 545**

Goodwill is allocated to the following organizational units (cash-generating units; CGUs) based on the anticipated synergies:

Goodwill	2021	2020
Private Banking	557 195	480 289
Asset Management	32 763	32 763
Total	**589 957**	**513 053**

The two organizational units represent the level at which the goodwill is monitored for internal management purposes.

The calculation of the realizable amount of the units was based on the respective fair value less cost to sell. The value of client assets was determined based on the market prices of companies with similar business activities. Under this approach, the assets under administration are valued using a goodwill-multiple. The average of the multiples applied for asset management lies in the range of 5 to 8% and for private banking in the range of 1 to 3%. An additional calculation of the realizable amount of the two organizational units based on the fair value in use was lower than the value of client assets. The higher of both values is used to determine whether an impairment is required.

18 Other assets (TCHF)	2021	2020
Precious metals	1 134 330	1 174 013
Other	90 883	80 799
Total other assets	**1 225 213**	**1 254 812**

19 Amounts due to banks (TCHF)	2021	2020
Deposits on demand	815 334	1 059 688
Time deposits	905 661	1 418 675
Total amounts due to banks	**1 720 995**	**2 478 363**

20 Amounts due to customers (TCHF)	2021	2020
Deposits on demand	31 487 421	27 257 005
Time deposits	6 916 258	8 201 190
Savings deposits	1 468 204	1 460 187
Total amounts due to customers	**39 871 882**	**36 918 383**

21 Financial liabilities designated at fair value (TCHF)	2021	2020
Certificate issues designated at fair value	252 397	232 680
Total financial liabilities designated at fair value	**252 397**	**232 680**

Certificate issues designated at fair value at 31 December

Product	Date of issue	Interest rate %	Maturity[6]	Fair value 2021	Fair value 2020
LGT GIM Index Certificates[1]	continuously	0.0	28.02.2022	40 404	36 811
LGT GIM Index Certificates II[2]	continuously	0.0	30.06.2024	115 658	107 189
LGT GIM Index Certificates II/2[3]	continuously	0.0	31.03.2026	22 334	20 954
LGT GIM Index Certificates III[4]	continuously	0.0	31.07.2026	71 343	65 125
Crown Absolute Return Index Certificates[5]	continuously	0.0	30.11.2023	2 658	2 602
Total certificate issues designated at fair value at 31 December				**252 397**	**232 680**

[1] Linked to the performance of LGT Premium Strategy GIM (EUR) index with a duration from 2002 to 2022, index sponsor LGT Capital Partners Ltd.
[2] Linked to the performance of LGT Premium Strategy GIM II (EUR) index with a duration from 2004 to 2024, index sponsor LGT Capital Partners Ltd.
[3] Linked to the performance of LGT Premium Strategy GIM II (EUR) index with a duration from 2006 to 2026
[4] Linked to the performance of LGT Premium Strategy GIM III (EUR) index with a duration from 2006 to 2026
[5] Linked to the Crown Absolute Return (EUR) index with a duration from 2003 to 2023, index sponsor LGT Capital Partners Ltd.
[6] Maturity represents the earliest possible notice.

22 Certificated debt (TCHF)

	2021	2020
Bond issues (net book value)[1]	1 948 597	2 038 396
Other cash bonds (fixed-rate medium term notes)	56 313	101 848
Shares in bond issues of the Swiss mortgage lending institution	368 920	308 918
Total certificated debt	**2 373 830**	**2 449 161**

[1] Net book value of bond issues is calculated using the effective interest method. Bonds held by LGT companies are eliminated.

Bond issues

Issuer	Date of issue	Nominal value		Interest rate %	Maturity	Net book value 2021	Net book value 2020
LGT Bank Ltd.	10.02.2014	TCHF	300 000	1.500	10.05.2021	0	293 982
LGT Bank Ltd.	08.02.2013	TCHF	300 000	1.875	08.02.2023	293 869	291 242
LGT Bank Ltd.	25.11.2015	TCHF	300 000	0.625	25.11.2025	296 013	295 605
LGT Bank Ltd.	12.10.2016	TCHF	350 000	0.200	12.10.2026	349 998	347 564
LGT Bank Ltd.	12.05.2017	TCHF	275 000	0.500	12.05.2027	275 471	276 145
LGT Bank Ltd.	05.07.2019	TCHF	150 000	0.375	05.07.2028	149 625	149 736
LGT Bank Ltd.	15.11.2019	TCHF	160 000	0.375	15.11.2029	159 692	160 093
LGT Bank Ltd.	04.11.2020	TCHF	225 000	0.200	04.11.2030	224 261	224 028
LGT Bank Ltd.	29.07.2021	TCHF	200 000	0.450	29.07.2031	199 669	0
Total bond issues at 31 December						**1 948 597**	**2 038 396**

23 Changes in financial liabilities arising from financing activities (TCHF)

	At 1 January 2021	Cash changes	Non-cash changes		At 31 December 2021
			Additions/ disposals	Currency translation	
Bond issues	2 038 396	-89 799	0	0	1 948 597
Other cash bonds	101 848	-45 051	0	-483	56 313
Shares in bond issues of the Swiss mortgage lending institution	308 918	60 003	0	0	368 920
Total certificated debt	**2 449 161**	**-74 848**	**0**	**-483**	**2 373 830**
Lease liabilities	237 971	-46 189	79 281	2 347	273 410
Total liabilities from financing activities	**2 687 132**	**-121 037**	**79 281**	**1 863**	**2 647 240**

	At 1 January 2020	Cash changes	Non-cash changes		At 31 December 2020
			Additions/ disposals	Currency translation	
Bond issues	1 817 921	220 475	0	0	2 038 396
Other cash bonds	123 531	-21 660	0	-23	101 848
Shares in bond issues of the Swiss mortgage lending institution	227 293	81 624	0	0	308 918
Total certificated debt	**2 168 746**	**280 439**	**0**	**-23**	**2 449 161**
Lease liabilities	218 177	-48 285	78 069	-9 990	237 971
Total liabilities from financing activities	**2 386 922**	**232 153**	**78 069**	**-10 013**	**2 687 132**

24 Other liabilities (TCHF)	2021	2020
Amounts due to long-term incentive scheme	257 424	153 370
Amounts due for bonus payments	459 745	349 380
Post-employment benefit obligations	212 269	451 563
Other	150 452	115 049
Total other liabilities	**1 079 890**	**1 069 362**

25 Provisions (TCHF)	Operational risk	Commitments and guarantees given	Other	Total
At 1 January 2021	53 985	14 480	16 585	85 050
Current year expenses	6 121	2551[1]	4 450	13 122
Provisions released	-2 081	-100	-2 252	-4 433
Provisions utilized	-14 544	0	-3 243	-17 787
Removal from change in the scope of consolidation	0	0	-777	-777
Currency translation	-1 126	473	-163	-815
At 31 December 2021	**42 356**	**17 404**	**14 600**	**74 360**

	Operational risk	Commitments and guarantees given	Other	Total
At 1 January 2020	44 322	135	18 146	62 604
Current year expenses	12 252	14 890[1]	2 279	29 421
Provisions released	-1 811	-45	-623	-2 479
Provisions utilized	-459	0	-2 905	-3 364
Currency translation	-320	-501	-312	-1 132
At 31 December 2020	**53 985**	**14 480**	**16 585**	**85 050**

[1] Thereof recognition of TCHF 2 439 expected credit loss expense in connection with a financial guarantee for a pending acquisition (2020: 14 849).

Provisions for operational risk

In the normal course of business, the Group is involved in various legal proceedings. The Group builds provisions for pending and threatened legal proceedings if the management is of the opinion that such proceedings are more likely than not to result in a financial obligation or loss and if the amount of such obligation or loss can already be reasonably estimated.

A business relationship with a client was opened in 2010. In the same year three payment orders were executed and the amounts were transferred to other banks. The client claimed in 2014 that the last transfer was not duly approved by the client and that it should not have been executed by LGT Bank (Switzerland) Ltd.

Provisions for commitments and guarantees given

These provisions relate to the expected credit losses according to IFRS 9. The Group calculates expected credit losses on off-balance sheet positions primarily for financial guarantees.

26 Other reserves (TCHF)	2021	2020
Revaluation reserves – debt instruments at fair value through other comprehensive income	14 143	9 967
Revaluation reserves – cash flow hedge	-1 393	1 064
Revaluation reserves – actuarial gains/losses	-105 380	-326 805
Revaluation reserves – equity instruments at fair value through other comprehensive income	2 187 930	1 573 634
Other capital reserves	4 000	0
Total other reserves	**2 099 300**	**1 257 861**
Revaluation reserves – debt instruments at fair value through other comprehensive income		
At 1 January	9 967	11 060
Disposals	0	-1 187
Fair value hedge adjustment	50 689	-16 410
Gains/losses from change in fair value	-46 600	16 434
Deferred income tax	87	69
At 31 December	**14 143**	**9 967**
Revaluation reserves – cash flow hedge		
At 1 January	1 064	571
Gains/losses from change in fair value	-2 457	493
At 31 December	**-1 393**	**1 064**
Revaluation reserves – actuarial gains/losses		
At 1 January	-326 805	-239 576
Gains/losses on defined benefit pension plans	257 488	-102 819
Deferred income tax	-36 063	15 590
At 31 December	**-105 380**	**-326 805**
Revaluation reserves – equity instruments at fair value through other comprehensive income		
At 1 January	1 573 634	1 470 329
Gains/losses from change in fair value	775 747	185 274
Deferred income tax	-576	283
Reclassification to retained earnings	-160 875	-83 392
Other changes	0	1 140
At 31 December	**2 187 930**	**1 573 634**
Other capital reserves		
At 1 January	0	0
Additions	4 000	0
At 31 December	**4 000**	**0**

27 Contingent liabilities, commitments and fiduciary transactions (TCHF)	2021	2020
Contingent liabilities		
Credit guarantees and similar instruments	282 847	259 025
Other contingent liabilities	92 246	90 900
Total contingent liabilities	**375 093**	**349 925**
Committed credit lines and other commitments	**1 777 799**	**1 515 865**
of which irrevocable commitments	1 748 189	1 369 258
Fiduciary transactions	2 194 610	2 753 734

Information about derivative financial instruments is shown separately in note 31.

28 Pledged and assigned assets/assets subject to reservation of ownership, which are used to secure own liabilities (TCHF)[1]	2021	2020
Book value of pledged and assigned assets (as collateral)	911 615	1 364 066
of which investment securities at fair value through other comprehensive income – debt instruments	271 517	793 859
of which mortgages	640 098	570 207
Actual commitments	743 680	680 614

[1] There are no assets subject to reservation of ownership.
The assets are pledged for commitments in respect of Lombard limits at central banks, for loans from Swiss mortgage lending institution, for securities deposits relating to SIX X-Clear/SIX Swiss Exchange and limits for cash settlement of securities transactions with EUROCLEAR BANK SA.

29 Lending transactions and pension transactions with securities (TCHF)[1]	2021	2020
Claims from cash deposits in connection with securities borrowing and reverse repurchase transactions	2 592 326	3 037 171
Liabilities from cash deposits in connection with securities lending and repurchase transactions	10 000	1 231 985
Own securities lent or provided as collateral within the scope of securities lending or borrowing transactions, as well as own securities transferred from repurchase transactions	0	517 094
of which capable of being resold or further pledged without restrictions	0	517 094
Securities borrowed or accepted as collateral within the scope of securities lending or borrowing transactions, as well as securities received from reverse repurchase transactions, which are capable of being resold or further pledged without restrictions	2 596 737	3 067 789
of which resold or further pledged	11 742	718 908

[1] These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities, as well as requirements determined by exchanges where the bank acts as an intermediary.

30 Fair value measurement (TCHF)

Valuation principles

Fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market as of the measurement date. In measuring fair value, the Group utilizes various valuation approaches and applies a hierarchy for prices and inputs that maximizes the use of observable market information, where available.

All financial and non-financial assets and liabilities measured or disclosed at fair value are categorized into one of three fair value hierarchy levels. In certain cases, the inputs used to measure fair value may fall within different levels of the fair value hierarchy. For disclosure purposes, the level in the hierarchy within which the instrument is classified in its entirety is based upon the lowest level input that is significant to the position's fair value measurement.

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges, exchange traded derivatives and precious metals.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes investments in hedge funds, mutual funds, the majority of OTC derivative contracts and structured debt.

Level 3

Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes mainly private equity investments, issued structured debt as well as equity investments with significant unobservable components.

Valuation governance

LGT's fair value measurement and model governance framework includes controls that are intended to ensure an adequate quality of fair value measurements reported in the consolidated financial statements. Responsibility for the ongoing measurement of financial and non-financial instruments at fair value resides with Trading and Treasury, but is validated by Group Risk Controlling, which is independent of Trading and Treasury. In carrying out their valuation responsibility, Trading and Treasury is required to consider the availability and quality of external market information and to provide justification and rationale for their fair value estimates.

Independent price verification is undertaken by Group Risk Controlling. The objective of the independent price verification process is to validate the business's estimates of fair value against available market information and other relevant data. By benchmarking the business's fair value estimates with observable market prices and other independent sources, the degree of valuation uncertainty embedded in these measurements is assessed and managed as required in the governance framework.

Valuation techniques

Valuation techniques are used to value positions for which a market price is not available from market sources. This includes in principle all derivatives transacted in the OTC market. LGT uses widely recognized valuation techniques for determining fair values that are not actively traded and quoted. The most frequently applied valuation techniques include discounted value of expected cash flow and option pricing methodologies such as the Black-Scholes or the Garman-Kohlhagen model that may involve simulation techniques depending on the option type.

Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by estimating the expected future cash flows using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models.

Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models.

Sensitivity of fair values of Level 3 financial instruments

Level 3 financial instruments are mainly booked as investment securities at fair value through other comprehensive income. The fair value of LGT's illiquid infrastructure titles is calculated based on financial statements and specific microeconomic parameters. A sensitivity analysis on the valuation of LGT's Level 3 financial investments has no material impact on other comprehensive income or the equity of LGT Group.

Fair value disclosure and classification within the fair value hierarchy
The classification in the fair value hierarchy of the Group's financial and non-financial assets and liabilities is summarized in the table below.

Fair value at the end of the period	Level 1	Level 2	Level 3	2021 Total
Assets				
Loans and advances to banks[1]	0	5 297 325	0	5 297 325
Loans and advances to customers[1]	0	19 536 591	0	19 536 591
Securities held for trading purposes	1 332 398	1 874	0	1 334 272
Derivative financial instruments	0	867 554	0	867 554
Investment securities at fair value	6 171 577	5 735 462	220 382	12 127 422
Precious metals	1 134 330	0	0	1 134 330
Total assets at fair value	**8 638 306**	**31 438 807**	**220 382**	**40 297 495**
Liabilities				
Amounts due to banks[1]	0	1 721 212	0	1 721 212
Amounts due to customers[1]	0	39 881 036	0	39 881 036
Derivative financial instruments	0	1 011 868	0	1 011 868
Financial liabilities designated at fair value	0	252 397	0	252 397
Certificated debt[1]	0	2 406 145	0	2 406 145
Total liabilities at fair value	**0**	**45 272 658**	**0**	**45 272 658**

In 2021, a warehouse equity investment in the amount of TCHF 75 747 was transferred from Level 3 to Level 2 as the valuation parameter could be derived from more observable input factors than in prior valuation. Further, due to a listing an equity investment in the amount of TCHF 27 079 was transferred from Level 3 to Level 1. There were no transfers from Level 2 to Level 1 and vice versa.

Fair value at the end of the period	Level 1	Level 2	Level 3	2020 Total
Assets				
Loans and advances to banks[1]	0	5 290 789	0	5 290 789
Loans and advances to customers[1]	0	17 800 460	0	17 800 460
Securities held for trading purposes	1 168 723	23 322	0	1 192 045
Derivative financial instruments	0	1 146 914	0	1 146 914
Investment securities at fair value	6 288 589	4 842 321	265 108	11 396 018
Precious metals	1 174 013	0	0	1 174 013
Total assets at fair value	**8 631 325**	**29 103 806**	**265 108**	**38 000 239**
Liabilities				
Amounts due to banks[1]	0	2 478 988	0	2 478 988
Amounts due to customers[1]	0	36 938 718	0	36 938 718
Derivative financial instruments	0	1 405 996	0	1 405 996
Financial liabilities designated at fair value	0	232 680	0	232 680
Certificated debt[1]	0	2 528 052	0	2 528 052
Total liabilities at fair value	**0**	**43 584 434**	**0**	**43 584 434**

In 2020, three equity investments in the amount of TCHF 43 092 were transferred from Level 2 to Level 3 as the valuation is based on significant unobservable components. There were no transfers from Level 2 to Level 1 and vice versa.

[1] These items are not measured at fair value in the balance sheet but fair value is disclosed in the notes. See page 93 for a reconciliation to the carrying amount.

Reconciliation of Level 3 items	2021 Investment securities at fair value	2020 Investment securities at fair value
Assets		
At 1 January	**265 108**	**169 239**
Total gains/losses	40 358	43 912
thereof in profit/loss[1]	122	24
thereof in other comprehensive income	40 236	43 888
Purchases	31 167	18 712
Issues	0	485
Sales	-13 438	-8 330
Redemptions	0	-1 967
Currency translation	13	-35
Transfers into/out of Level 3	-102 826	43 092
At 31 December	**220 382**	**265 108**

[1] Includes unrealized gains or losses recognized in profit or loss for financial assets held at the end of the reporting period of TCHF 122.0 (2020: TCHF 123.9).

31 Derivative financial instruments (TCHF)

In the normal course of business, LGT and its subsidiaries use various derivative financial instruments to meet the financial needs of their customers, to generate revenues through trading, and to manage their exposure to fluctuations in interest and foreign exchange rates. Derivatives used for trading purposes include foreign exchange and precious metal forwards/swaps as well as foreign exchange and precious metal options. Within the context of asset and liability management, interest rate swaps are primarily employed. LGT controls the credit risk from derivative financial instruments through its credit approval process and the use of control limits and monitoring procedures. LGT uses the same credit procedures when entering into derivatives as it does for traditional lending products.

The following table summarizes the total outstanding volumes in derivative financial instruments. Positive and negative replacement values are stated at gross values, without taking into consideration the effect of master netting agreements.

Types of derivative financial instruments held for trading	2021 Notional amount	2021 Positive replacement value	2021 Negative replacement value	2020 Notional amount	2020 Positive replacement value	2020 Negative replacement value
Interest rate products						
Interest rate swaps	1 424 605	32 123	32 981	1 235 613	25 854	35 847
Foreign exchange products						
Foreign exchange forwards	101 056 891	614 988	733 502	81 212 432	862 892	1 025 942
Foreign exchange swaps	2 570 762	7 434	24 945	2 272 571	11 316	35 286
Foreign exchange OTC options	3 966 713	37 967	17 193	4 016 387	43 445	23 952
Precious metal products						
Precious metal forwards	1 575 366	15 265	20 530	551 368	14 168	7 927
Precious metal swaps	85 693	222	1 003	70 946	1 536	844
Precious metal OTC options	1 279 837	20 186	12 863	1 620 489	34 804	25 969
Derivatives on shares and indices						
OTC options	1 762 457	132 933	18 309	1 615 945	142 270	13 745
Other products	3 496 929	6 436	127 593	3 373 955	9 341	156 051
Total contracts	**117 219 253**	**867 554**	**988 918**	**95 969 706**	**1 145 627**	**1 325 563**

Types of derivative financial instruments held for hedging	2021 Notional amount	2021 Positive replacement value	2021 Negative replacement value	2020 Notional amount	2020 Positive replacement value	2020 Negative replacement value
Interest rate products						
Interest rate swaps (cash flow hedges)	300 000	0	1 171	220 000	1 287	0
Interest rate swaps (fair value hedges)[1]	3 055 078	0	21 779	2 339 702	0	80 433
Total contracts	**3 355 078**	**0**	**22 950**	**2 559 702**	**1 287**	**80 433**

[1] LGT applied fair value hedge accounting for a portfolio hedge of interest rate risk for the first time in the 2012 reporting period by using interest rate swaps to hedge its exposure to market fluctuations of fixed-rate instruments. The fair value adjustment of the underlying instruments related to interest rate risk was TCHF -46 670 (2020: TCHF 41 908). A matching amount of TCHF 46 956 (2020: TCHF -40 316) is included in the replacement value attributable to derivative hedging instruments.

32 Offsetting financial assets and liabilities (TCHF)

Financial assets and liabilities subject to offsetting netting arrangements and similar agreements.

Assets at 31 December 2021	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amount of financial assets presented on the balance sheet	Amounts not set off on the balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities borrowing and reverse repurchase transactions	2 592 567	0	2 592 567	0	0	2 576 032	16 535
Positive market values from derivative financial instruments	669 723	0	669 723	445 947	36 375	0	187 401
Total assets	**3 262 290**	**0**	**3 262 290**	**445 947**	**36 375**	**2 576 032**	**203 936**

Liabilities at 31 December 2021	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amount of financial liabilities presented on the balance sheet	Amounts not set off on the balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities lending and repurchase transactions	10 000	0	10 000	0	0	9 994	6
Negative market values from derivative financial instruments	910 822	0	910 822	445 947	212 362	0	252 513
Total liabilities	**920 822**	**0**	**920 822**	**445 947**	**212 362**	**9 994**	**252 519**

Assets at 31 December 2020	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amount of financial assets presented on the balance sheet	Amounts not set off on the balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities borrowing and reverse repurchase transactions	3 037 171	0	3 037 171	0	0	3 021 287	15 884
Positive market values from derivative financial instruments	919 015	0	919 015	615 396	51 787	0	251 833
Total assets	**3 956 186**	**0**	**3 956 186**	**615 396**	**51 787**	**3 021 287**	**267 716**

Liabilities at 31 December 2020	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amount of financial liabilities presented on the balance sheet	Amounts not set off on the balance sheet			Net amount
				Impact of master netting agreements	Cash collateral	Financial instruments collateral	
Securities lending and repurchase transactions	1 231 985	0	1 231 985	0	0	1 226 230	5 755
Negative market values from derivative financial instruments	1 095 573	0	1 095 573	615 396	191 008	0	289 169
Total liabilities	**2 327 558**	**0**	**2 327 558**	**615 396**	**191 008**	**1 226 230**	**294 924**

33 Capital resources (TCHF)

Capital adequacy and the use of capital are monitored by the Group and by individual operating units. Starting 1 February 2015, the calculation of regulatory capital incorporates the capital requirements following the Capital Requirements Regulations No. 575/2013 (CRR), and the Capital Requirements Directive No. 2013/36/EU (CRD IV) as implemented into Liechtenstein law. The minimum capital requirement is 8% of total risk exposure which consists at least of 4.5% common equity tier 1 (CET 1) capital and 1.5% additional tier 1 capital. In addition, LGT has to fulfill 4.57% buffer requirements. The whole buffer requirement must be fulfilled with CET 1 capital.

All ratios are based on the full application of the final CRR and CRD IV framework in the European Union and thus without consideration of applicable transitional rules. The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period.

The Group will implement the revised Capital Requirements Directive and Regulation, commonly known as CRD V and CRR 2 in 2022. They will refine and continue to implement Basel III in Liechtenstein by making important amendments in various areas including large exposures, leverage ratio, liquidity, market risk, counterparty credit risk, as well as reporting and disclosure requirements.

The following table analyzes the Group's capital resources as defined for regulatory purposes:

Capital resources		2021	2020
Capital resources		6 046 823	4 836 819
thereof non-controlling interests		478	477
Other adjustments		-15 038	265 154
Prudent valuation adjustment		-14 814	-14 938
Intangible assets		-810 109	-687 572
CET 1 capital		**5 206 863**	**4 399 463**
Tier 1 capital		**5 206 863**	**4 399 463**
Own funds		**5 206 863**	**4 399 463**
Required capital	**Approach**		
Credit risk	Standard	**1 395 333**	**1 185 246**
Market risk	Standard	**184 586**	**135 150**
Operational risk	Basic indicator	**290 153**	**267 332**
Credit valuation adjustment risk	Standard	**16 723**	**16 428**
Total		**1 886 795**	**1 604 156**
Capital adequacy ratio[1]		**22.1%**	**21.9%**

[1] CET 1 capital ratio: 22.1% (2020: 21.9%); Tier 1 capital ratio: 22.1% (2020: 21.9%); Total capital ratio: 22.1% (2020: 21.9%)

34 Subsidiaries

The Group's principal subsidiary undertakings at 31 December 2021 were:

Name	Principal activity	Registered office	Ownership interest in % of ordinary shares held[1]
LGT Bank Ltd.	Banking	Vaduz – Liechtenstein	100.0
LGT Capital Partners (FL) Ltd.	Investment management	Vaduz – Liechtenstein	100.0
LGT Fund Management Company Ltd.	Investment management	Vaduz – Liechtenstein	100.0
LGT Fund Managers (FL) Ltd.	Fund administrator	Vaduz – Liechtenstein	100.0
LGT Funds SICAV	Investment company	Vaduz – Liechtenstein	100.0
Lightrock Evergreen Fund SICAV[2]	Investment company	Vaduz – Liechtenstein	100.0
LGT Multi-Assets SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT PB AIF SICAV[3]	Investment company	Vaduz – Liechtenstein	100.0
LGT PB Funds SICAV[4]	Investment company	Vaduz – Liechtenstein	100.0
LGT Portfolio Invest SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT Portfolio Management SICAV	Investment company	Vaduz – Liechtenstein	100.0
LGT Capital Partners Advisers Ltd.	Investment advisers	Vaduz – Liechtenstein	100.0
LGT Private Equity Advisers Ltd.	Investment advisers	Vaduz – Liechtenstein	60.0
LGT Financial Services Ltd.	Services company	Vaduz – Liechtenstein	100.0
LGT Audit Revisions AG, in Liquidation	Audit company	Vaduz – Liechtenstein	100.0
LGT Capital Partners Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0
LGT Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0
LGT Bank (Switzerland) Ltd.	Banking	Basel – Switzerland	100.0
LGT Capital Partners Ltd.	Investment management	Pfäffikon SZ – Switzerland	100.0
LGT ILS Partners Ltd.	Investment management	Pfäffikon SZ – Switzerland	100.0
European Capital Private Debt Carry GP LLP	Holding company	Edinburgh – United Kingdom	80.0
European Capital UK SME Carry GP LLP	Holding company	Edinburgh – United Kingdom	80.0
LGT Private Debt (UK) Ltd.	Investment management	London – United Kingdom	80.0
LGT Capital Partners (U.K.) Ltd.	Investment advisers	London – United Kingdom	100.0
European Capital Private Debt GP LLP	Holding company	London – United Kingdom	80.0
European Capital Private Debt 1 Ltd.	Holding company	London – United Kingdom	80.0
European Capital Private Debt 2 Ltd.	Holding company	London – United Kingdom	80.0
European Capital UK SME Debt 1 Ltd.	Holding company	London – United Kingdom	80.0
European Capital UK SME Debt 2 Ltd.	Holding company	London – United Kingdom	80.0
European Capital UK SME GP LLP	Holding company	London – United Kingdom	80.0
LGT Capital Partners UK Holding Ltd.[5]	Holding company	London – United Kingdom	100.0
LGT EC Holding Limited	Holding company	London – United Kingdom	80.0
LGT UK Holdings Limited	Holding company	London – United Kingdom	100.0
LGT Vestra LLP	Investment management	London – United Kingdom	100.0
LGT Vestra US Ltd.	Investment management	London – United Kingdom	100.0
LGT Vestra (Jersey) Ltd.	Investment management	St Helier – Jersey	100.0
LGT Capital Partners (Ireland) Ltd.	Investment management	Dublin – Ireland	100.0
LGT Fund Managers (Ireland) Ltd.	Fund administrator	Dublin – Ireland	100.0
LGT Capital Partners Denmark Holding ApS[6]	Holding company	Copenhagen – Denmark	100.0
LGT Holding Denmark ApS	Holding company	Copenhagen – Denmark	100.0
LGT PB Denmark Holding ApS[7]	Holding company	Copenhagen – Denmark	100.0
LGT Private Debt (France) SAS	Investment management	Paris – France	80.0
ECAS Agent S.A.S.	Bondholder representative and agent	Paris – France	100.0

Name	Principal activity	Registered office	Ownership interest in % of ordinary shares held[1]
LGT Private Debt (Germany) GmbH	Investment advisers	Frankfurt am Main – Germany	80.0
LGT Fund Management (Lux) S.A.	Holding company	Luxembourg – Luxembourg	100.0
LGT Fund Managers (Luxembourg) S.à.r.l.[8]	Fund administrator	Luxembourg – Luxembourg	100.0
LGT (Italia) S.R.L. in Liquidation	Investment management	Milan – Italy	100.0
LGT Bank (Singapore) Ltd.	Banking	Singapore	100.0
LGT Investment Consulting (Beijing) Ltd.	Investment consulting	Beijing – China	100.0
LGT Capital Partners (Asia-Pacific) Ltd.	Investment advisers	Hong Kong SAR	100.0
LGT Investment Management (Asia) Ltd.	Investment advisers	Hong Kong SAR	100.0
LGT Wealth Management Ltd.	Holding company	Hong Kong SAR	100.0
LGT Securities (Thailand) Ltd.	Investment advisers	Bangkok – Thailand	100.0
LGT Capital Partners (Japan) Co., Ltd.	Investment advisers	Tokyo – Japan	100.0
LGT Wealth Management Trust Inc. (formerly L Planning Co., Ltd.)	Investment advisers	Tokyo – Japan	100.0
LGT Capital Partners (Dubai) Ltd.	Investment advisers	Dubai – United Arab Emirates	100.0
LGT (Middle East) Ltd.	Investment advisers	Dubai – United Arab Emirates	100.0
LGT Wealth India Private Ltd.[9]	Investment management	Mumbai – India	100.0
LGT Capital Partners (USA) Inc.	Investment management	New York – USA	100.0
LGT Bank (Cayman) Ltd.	Banking	Grand Cayman – Cayman Islands	100.0
LGT Certificates Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT Global Invest Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT Investments Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT Participations Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0
LGT (Uruguay) S.A. in Liquidation	Bank representation	Montevideo – Uruguay	100.0
LGT Capital Partners (Australia) PTY Ltd.	Investment advisers	Sydney – Australia	100.0
LGT Holding (Australia) PTY Ltd.[10]	Holding company	Sydney – Australia	100.0

[1] Ownership interest equals voting interest.
[2] Was established on 12 May 2021.
[3] Was established on 27 October 2021.
[4] Was established on 21 December 2021.
[5] Was established on 25 May 2021.
[6] Was established on 1 January 2021.
[7] Was established on 1 January 2021.
[8] Was established on 30 September 2021.
[9] Was established on 30 July 2021.
[10] Was established on 13 December 2021.

As part of the reorganization of LGT Group the following entities were removed from the scope of consolidation on 1 January 2021: Lightrock Holding Ltd., Vaduz, LGT Lightstone Europe LLP, Lightrock UK Holdings Ltd., Aspada Investment Advisors Private Ltd., LGT Impact Investment Advisors India Private Ltd., LGT Lightstone Advisors Kenya Ltd. and LGT Impact Investment Assessoria Brasil Ltda.

LGT Capital Invest Mauritius PCC (Cell D) was liquidated on 27 October 2021.

35 Interests in unconsolidated structured entities (TCHF)

The Group is principally involved with structured entities through investments in and loans to structured entities and sponsoring structured entities that provide specialized investment opportunities to investors.

Interests in unconsolidated structured entities Domicile	2021 Number	2021 NAV	2020 Number	2020 NAV
Cayman Islands	3	2 459 338	3	2 565 118
Germany	2	7 904	2	8 333
Ireland	32	12 686 914	30	9 518 541
Liechtenstein	5	22 829 929	6	19 206 574
Luxembourg	43	17 639 490	33	12 936 173
Switzerland	3	702 768	4	597 548
United Kingdom	4	382 660	4	469 156
USA	2	23 363	2	24 774
Total	**94**	**56 732 365**	**84**	**45 326 217**

Nature of risk

Risk associated with unconsolidated structured entities

The following table summarizes the carrying values recognized in the statement of financial position of the Group's interests in unconsolidated structured entities. The maximum exposure to loss presented in the table below is contingent in nature and may arise as a result of the provision of liquidity facilities, and any other funding commitments, such as financial guarantees provided by the Group.

Financial statement at 31 December 2021 Domicile	Investment securities at fair value	Loans	Commit-ments and guarantees	Collateral	Maximum exposure to loss
Cayman Islands	28 703	145 734	311 532	-148 403	337 566
Germany	15	0	0	0	15
Guernsey	328	0	0	0	328
Ireland	28 773	177 977	560 351	-122 999	644 103
Liechtenstein	0	28 728	1 217 928	-1 221 601	25 055
Luxembourg	7 625	178 762	179 688	0	366 075
Switzerland	0	0	22 778	0	22 778
United Kingdom	26	0	0	0	26
Total	**65 470**	**531 201**	**2 292 278**	**-1 493 003**	**1 395 946**

Financial statement at 31 December 2020 Domicile	Investment securities at fair value	Loans	Commit-ments and guarantees	Collateral	Maximum exposure to loss
Cayman Islands	21 166	105 321	269 429	-112 406	283 509
Germany	27	0	0	0	27
Guernsey	327	0	0	0	327
Ireland	21 970	102 470	427 320	-8 838	542 923
Liechtenstein	0	21 985	1 270 858	-1 267 833	25 010
Luxembourg	185	199 001	154 545	0	353 731
Switzerland	0	0	22 094	0	22 094
United Kingdom	27	0	0	0	27
Total	**43 701**	**428 777**	**2 144 245**	**-1 389 076**	**1 227 647**

36 Operating segments (TCHF)

LGT is the Private Banking and Asset Management Group of the Princely House of Liechtenstein. It has its headquarters in Vaduz, Principality of Liechtenstein. The Group's segmental reporting comprises the three operating business units: Private Banking, Asset Management and Operations & Technology. All the remaining operating income and expenses, which are not directly connected to these business units, including consolidation adjustments, are shown under Corporate Center.

LGT's reportable segments are strategic business units that offer different products and services to external and internal customers. They are managed separately because each business unit pursues its own specific client strategy and requires different technology as well as marketing strategy.

The segment reporting reflects the internal management structure. The segments are based upon the products and services provided or the type of customer served and they reflect the manner in which financial information is currently evaluated by management. The results of these lines of business are presented on a managed basis. Both the external and the internal reports are prepared in accordance with International Financial Reporting Standards (IFRS).

Private Banking offers private clients a comprehensive range of services around the world. Asset Management manages discretionary mandates and investment funds for institutional and private investors worldwide focusing on alternative investments and multi-asset solutions. Operations & Technology is the IT and business service provider for the whole Group.

The accounting policies of the operating segments are the same as those described in the summary of the Group accounting principles. Income and expenses are assigned to the individual business lines in accordance with current market prices and based on the client relationships. Indirect costs resulting from services provided internally are accounted for according to the principle of causation and are recorded as a revenue increase for the service provider and as a cost increase for the service beneficiary. Depreciation and provisions are stated at effective costs.

Information about the operating income from external customers for each product and service, or group of similar products and services, is not available. The costs of developing such reporting would be excessive.

Operating segments at 31 December 2021	Private Banking	Asset Management	Operations & Technology	Corporate Center[5]	Group
Net interest income[1]	224 008	-3 947	-168	-13 843	206 050
Credit loss expense/recovery	-209	-11	0	-1 336	-1 556
Non-interest income (other income)	1 212 964	691 300	3 012	20 449	1 927 725
Total internal operating income[2]	93 126	34 352	253 943	-381 421	0
Total operating income	**1 529 889**	**721 694**	**256 787**	**-376 150**	**2 132 219**
Personnel expenses	-710 241	-369 912	-106 937	-114 943	-1 302 033
Business and office expenses	-490 003	-132 018	-127 311	446 923	-302 409
Depreciation, amortization and provisions	-98 197	-12 253	-15 983	1 795	-124 639
Total operating expenses	**-1 298 441**	**-514 183**	**-250 231**	**333 775**	**-1 729 080**
Segment result before tax	**231 448**	**207 511**	**6 556**	**-42 376**	**403 139**
Tax expense[3]					-50 367
Net profit					**352 772**
Attributable to:					
Equity holders of the parent entity					352 772
Non-controlling interests					1
Additional information:					
Segment assets	**51 473 851**	**1 023 363**	**88 932**	**289 481**	**52 875 628**
Property and equipment	108 090	8 549	14 839	0	131 479
Right-of-use assets	216 821	57 315	1 017	60	275 213
Intangible assets	724 153	32 895	21 884	0	778 931
Capital expenditure	207 732	2 272	10 408	32	220 444
Segment liabilities	**46 153 151**	**449 203**	**43 688**	**182 763**	**46 828 805**
Headcount	2 695	668	461	290	4 114
Assets under administration in CHF m[4]	205 638	78 331	0	1 833	285 802

[1] Management primarily relies on net interest income, not gross interest income and interest expense, in managing the segments.
[2] Operating income from transactions with other segments at market prices.
[3] The Group does not allocate tax expense/tax income to reportable segments.
[4] Assets under administration include double-counted assets.
[5] Corporate Center includes net Group financing cost, the cost of all Group functions and consolidation adjustments.

Geographical information at 31 December 2021	Operating income[1]	Capital expenditure	Non-current assets
Liechtenstein	589 786	18 373	272 375
Switzerland	659 805	44 275	331 998
Other Europe	299 062	118 756	162 534
Americas	40 428	42	18 682
Asia	527 816	38 030	399 163
Other countries	15 322	968	870
Group	**2 132 219**	**220 444**	**1 185 623**

[1] Operating income is attributed to countries/regions on the basis of the LGT companies' domicile.

Operating segments at 31 December 2020	Private Banking	Asset Management	Operations & Technology	Corporate Center[5]	Group
Net interest income[1]	262 565	-2 934	-204	-11 435	247 993
Credit loss expense/recovery	-3 917	-12	-3	-13 353	-17 285
Non-interest income (other income)	1 050 790	438 236	13 730	119 682	1 622 438
Total internal operating income[2]	86 312	22 371	224 940	-333 622	0
Total operating income	**1 395 749**	**457 660**	**238 464**	**-238 727**	**1 853 145**
Personnel expenses	-632 583	-246 478	-91 603	-150 100	-1 120 765
Business and office expenses	-428 002	-79 776	-115 912	355 046	-268 645
Depreciation, amortization and provisions	-103 581	-9 936	-15 655	-2 059	-131 231
Total operating expenses	**-1 164 167**	**-336 190**	**-223 170**	**202 886**	**-1 520 641**
Segment result before tax	**231 582**	**121 470**	**15 293**	**-35 841**	**332 505**
Tax expense[3]					-40 956
Net profit					**291 549**
Attributable to:					
Equity holders of the parent entity					291 549
Non-controlling interests					0
Additional information:					
Segment assets	**49 514 704**	**721 534**	**111 859**	**-477 792**	**49 870 305**
Property and equipment	106 282	10 063	16 899	345	133 589
Right-of-use assets	177 063	62 579	917	487	241 046
Intangible assets	645 109	32 895	25 540	0	703 545
Capital expenditure	58 816	34 051	11 124	268	104 258
Segment liabilities	**44 258 116**	**317 064**	**52 046**	**406 259**	**45 033 486**
Headcount	2 532	548	447	311	3 838
Assets under administration in CHF m[4]	176 618	62 159	0	1 927	240 705

[1] Management primarily relies on net interest income, not gross interest income and interest expense, in managing the segments.
[2] Operating income from transactions with other segments at market prices.
[3] The Group does not allocate tax expense/tax income to reportable segments.
[4] Assets under administration include double-counted assets.
[5] Corporate Center includes net Group financing cost, the cost of all Group functions and consolidation adjustments.

Geographical information at 31 December 2020	Operating income[1]	Capital expenditure	Non-current assets
Liechtenstein	531 683	18 045	280 670
Switzerland	524 593	33 142	314 779
Other Europe	263 961	16 643	59 003
Americas	45 604	172	18 133
Asia	462 102	36 242	405 295
Other countries	25 203	15	300
Group	**1 853 145**	**104 258**	**1 078 180**

[1] Operating income is attributed to countries/regions on the basis of the LGT companies' domicile.

37 Assets under administration (CHF m)

Assets under administration which are stated according to the provisions of the Liechtenstein banking law are as follows:

	2021	2020
Assets in own-managed funds	49 575	39 106
Assets under management	95 901	75 141
Other assets under administration	140 326	126 458
Total assets under administration (including double counting)	**285 802**	**240 705**
of which double counting	21 587	17 847
Net new assets	**29 254**	**11 584**
of which net new money	24 758	11 584
of which through acquisition	4 496	0

Assets in own-managed funds
This item covers the assets of all the actively marketed investment funds of LGT.

Assets under management
The calculation of assets with management mandate takes into account client deposits as well as the fair value of securities, loan-stock rights, precious metals and fiduciary investments placed with third-party institutions. The information covers both assets deposited with Group companies and assets deposited at third-party institutions for which Group companies hold a discretionary mandate.

Other assets under administration
The calculation of other assets under administration takes into account client deposits as well as the fair value of securities, loan-stock rights, precious metals and fiduciary investments placed with third-party institutions. The information covers assets for which an administrative or advisory mandate is exercised.

Double counting
This item covers investment fund units from own-managed funds as well as certain assets that are included in assets under management.

Custodian assets
Custodian assets are excluded.

Net new assets
This position is composed of the acquisition of new clients, closed client accounts and inflows or outflows from existing clients. Performance-related asset fluctuations, e.g. price changes, interest and dividend payments including interest, commissions and expenses charged to client accounts, are not regarded as inflows or outflows. Acquisition-related changes to assets are also not considered.

38 Pensions (TCHF)	2021	2020
Principal actuarial assumptions		
Discount rate	0.30%	0.15%
Average future salary increases	1%, from age 55 0%	1%, from age 55 0%
Future pension increases	0%	0%
Mortality tables used	BVG 2020 GT	BVG 2015 GT mod
Average retirement age	62/62	62/62
Employees covered by the major plans[1]	2 369	2 228
Retirees covered by the major plans	520	511
The average life expectancy in years of a pensioner retiring at age 62 is as follows:		
Male	25.7	25.7
Female	27.5	27.9
Balance sheet (end of year)		
Fair value of plan assets	2 018 463	1 779 193
Defined benefit obligation	-2 226 870	-2 226 894
Net assets/liabilities (funded status)	**-208 407**	**-447 701**
Income statement		
Current service cost	-54 463	-42 781
Interest cost	-3 342	-4 963
Interest income	2 670	4 073
Curtailment, settlement, plan amendment gains/losses[2]	-18 149	0
Administration expense	-208	-197
Net pension expenses	**-73 492**	**-43 868**
Actual return on plan assets	182 328	95 496
Movement in the assets/liabilities recognized in the balance sheet		
At 1 January	-447 701	-348 339
Income/expense recognized in the income statement	-73 492	-43 868
Employer's contributions (following year expected contribution)	55 298	47 325
Total prepaid/accrued pension cost	-18 194	3 457
whereof operating income/expense	-17 522	4 347
whereof financing income/expense	-672	-890
Total gains/losses recognized in other comprehensive income	257 488	-102 819
At 31 December	**-208 407**	**-447 701**

[1] Apprentices, trainees and certain part-time employees are not covered by the plans.

[2] The technical interest rate for active insured persons was reduced from 3.0% to 2.5%. The effect of the plan amendment in the amount of TCHF 18 149 is recognized in personnel expenses under pension costs (note 6).

	2021	2020
Movement in the defined benefit obligation		
At 1 January	-2 226 894	-1 978 253
Current service cost	-54 463	-42 781
Employees' contributions	-32 030	-27 820
Interest cost	-3 342	-4 963
Curtailments/settlements	-18 149	0
Benefits paid	30 178	21 165
Actuarial gains/losses on benefit obligation	77 830	-194 242
At 31 December	**-2 226 870**	**-2 226 894**
Defined benefit obligation participants	-1 722 128	-1 689 051
Defined benefit obligation pensioners	-504 742	-537 843
Duration	15.8	16.7
Movement in the fair value of plan assets		
At 1 January	1 779 193	1 629 914
Interest income	2 670	4 073
Employer's contributions	55 298	47 325
Employees' contributions	32 030	27 820
Benefits paid	-30 178	-21 165
Administration expense	-208	-197
Return on plan assets excluding amount recognized in net interest	179 658	91 423
At 31 December	**2 018 463**	**1 779 193**

Composition and fair value of plan assets at 31 December 2021	Quoted in an active market			Other	Total	%
	Domestic	Foreign	Domestic	Foreign		
Cash and cash equivalents	0	0	145 638	44 188	189 826	9.4
Real estate	164 296	0	186 465	0	350 761	17.4
Bonds	1 500	31 292	376 871	62 344	472 007	23.4
Equity	40 788	140 008	239 340	17 340	437 476	21.7
Alternative investments	36 152	21 287	122 331	390 227	569 996	28.2
Other assets/liabilities	0	0	-1 603	0	-1 603	-0.1
Total	**242 735**	**192 586**	**1 069 042**	**514 100**	**2 018 463**	**100.0**

Composition and fair value of plan assets at 31 December 2020	Quoted in an active market			Other	Total	%
	Domestic	Foreign	Domestic	Foreign		
Cash and cash equivalents	0	0	63 384	37 118	100 502	5.6
Real estate	157 958	0	174 900	0	332 858	18.7
Bonds	1 525	56 986	377 186	22 987	458 684	25.8
Equity	37 102	125 539	192 238	14 328	369 207	20.8
Alternative investments	72 702	9 861	108 603	326 540	517 705	29.1
Other assets/liabilities	0	0	236	0	236	0.0
Total	**269 287**	**192 386**	**916 546**	**400 973**	**1 779 193**	**100.0**

The plan assets include property occupied by the Group with a fair value of TCHF 13 640 (2020: TCHF 13 610).

Defined benefit pension plans	2021	2020
Remeasurements DBO	**77 830**	**-194 242**
Actuarial gains/losses arising from plan experience	-64 067	-47 983
Actuarial gains/losses arising from demographic assumptions	88 240	0
Actuarial gains/losses arising from financial assumptions	53 657	-146 259
Remeasurements assets	**179 658**	**91 423**
Total recognized in other comprehensive income	**257 488**	**-102 819**

Sensitivities	DBO	Service cost
Discount rate +0.25%	-86 939	-3 358
Discount rate -0.25%	93 321	3 643
Salary increase +0.25%	14 574	1 038
Salary increase -0.25%	-14 243	-1 009
Pension increase +0.25%	60 995	1 820
Pension increase -0.25% (not lower than 0%)	0	0
Increase of life expectancy at retirement age by one year	83 139	3 107
Increase of retirement age by one year	36 014	3 100

The Group expects to recognize current service costs of TCHF 53 668 related to its defined benefit pension plans in 2022 (2021: TCHF 54 463).
The measurement date for the Group's defined benefit plans is 31 December.
The above analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.
The methods and types of assumptions used in preparing the sensitivity analysis have not changed compared with the previous period.

Nature of plans
IAS 19 (revised) specifies disclosure requirements with relation to pension plans, the regulatory framework and risk characteristics.

Regulatory framework

Pension plan legal structure

LGT currently operates two employer-specific defined benefit pension schemes, i.e. the LGT Group Personnel Welfare and Pension Foundation (Personalvorsorgestiftung (PVS) der LGT Gruppe) in Switzerland and in Liechtenstein. Both pension schemes consist of a pension plan and a capital savings plan. The pension fund is a separate legal entity. Under Swiss and Liechtenstein law, all employees above a certain salary threshold are required to be members of the pension scheme. Minimum benefits are stipulated by law (for old-age, disability, death and termination). LGT's pension schemes cover more than legally prescribed minimum requirements.

The Foundation Board of the welfare and pension fund foundation comprises eight individuals for the pension fund in Switzerland, and six individuals for the pension fund in Liechtenstein – 50% of whom are employer representatives, and the other 50% are employee representatives.

Other entity's responsibilities

The members of the Foundation Board decide about the benefits to be provided, how these are to be financed, and the fund's asset allocation. They are responsible vis à vis the beneficiaries and the authorities.

Special situation

The pension scheme has no minimum funding requirement (when the pension fund is in a surplus position), although it does have a minimum contribution requirement as specified below. In accordance with national legal provisions, where a pension fund is operated in a surplus position, limited restrictions apply in terms of the board member's ability to apply benefits to the members of the locally determined "free reserves".
In cases where the pension fund enters into an underfunded status and if the underfunding cannot be resolved by the pension fund through other measures, the active members together with LGT are required to make additional contributions until such time as the pension fund is again in a fully funded position.

Funding arrangements that affect future contributions

Swiss and Liechtenstein law provides for minimum pension obligations on retirement. Swiss and Liechtenstein law also prescribes minimum annual contribution requirements. An employer may provide or contribute a higher amount than specified by Swiss and Liechtenstein law – such amounts are specified under the terms and conditions of the pension schemes. In addition, employers are able to make one-off contributions or prepayments to these pension funds. Although these contributions cannot be withdrawn, they are available to the company to offset its future employer cash contributions to the pension fund.

Even though a surplus may exist in the pension fund, Swiss and Liechtenstein law requires that minimum annual contribution requirements continue. For the active members of the pension fund, annual contributions are required from both the employer and the employee. The employer contributions must be at least equal to the employee contributions, but may be higher, as stated separately in the regulations of the pension fund.

Minimum annual contribution obligations are determined with reference to an employee's age and current salary, however, as indicated above, these can be increased under the pension schemes.

In the event that an employee leaves the employ of LGT prior to reaching a pensionable age, the termination benefit (pension scheme) and the cumulative balance of the savings contributions (capital savings scheme) are withdrawn from the pension scheme and invested in the pension scheme of the employee's new employer.

In the event of the liquidation of LGT, or the pension fund, LGT has no right to any refund of any surplus in the pension fund. Any surplus balance is to be allocated to the members (active and pensioners).

General risk

The company faces the risk that the net pension liability can be affected by a bad performance of the assets of the pension fund, significant changes in plan membership or changes in assumptions used for the defined benefit valuation of the plan. Therefore the sensitivities applying to the main assumptions (discount rate, salary increase, pension increase and life expectancy) have been calculated and disclosed.

39 Long-term incentive scheme

Movements in the number of options outstanding

Number of series	16	17	18	19	20	21	22	23	Total
Year of issue	2014	2015	2016	2017	2018	2019	2020	2021	
Duration from	1.4.2014	1.4.2015	1.4.2016	1.4.2017	1.4.2018	1.4.2019	1.4.2020	1.4.2021	
Duration to	1.4.2021	1.4.2022	1.4.2023	1.4.2024	1.4.2025	1.4.2026	1.4.2027	1.4.2028	
At 1 January 2021	200	1 165	1 901	2 536	3 731	3 968	4 076	0	17 577
Granted	0	0	0	0	0	0	0	4 231	4 231
Exercised	-200	-252	-192	-111	-628	0	0	0	-1 383
Lapsed/without value	0	-3	-6	-6	-11	-38	-39	0	-103
At 31 December 2021	**0**	**910**	**1 703**	**2 419**	**3 092**	**3 930**	**4 037**	**4 231**	**20 322**

Number of series	15	16	17	18	19	20	21	22	Total
Year of issue	2013	2014	2015	2016	2017	2018	2019	2020	
Duration from	1.4.2013	1.4.2014	1.4.2015	1.4.2016	1.4.2017	1.4.2018	1.4.2019	1.4.2020	
Duration to	1.4.2020	1.4.2021	1.4.2022	1.4.2023	1.4.2024	1.4.2025	1.4.2026	1.4.2027	
At 1 January 2020	1 466	1 997	2 659	2 895	3 458	3 788	4 024	0	20 287
Granted	0	0	0	0	0	0	0	4 076	4 076
Exercised	-1 461	-1 775	-1 472	-971	-878	0	0	0	-6 557
Lapsed/without value	-5	-22	-22	-23	-44	-57	-56	0	-229
At 31 December 2020	**0**	**200**	**1 165**	**1 901**	**2 536**	**3 731**	**3 968**	**4 076**	**17 577**

Options outstanding at the end of the year were as follows:

Number of series	Year of issue	Expiry date	Exercise price (CHF)	2021	2020
16	2014	1.4.2021	13 773	0	200
17	2015	1.4.2022	14 180	910	1 165
18	2016	1.4.2023	13 786	1 703	1 901
19	2017	1.4.2024	14 898	2 419	2 536
20	2018	1.4.2025	16 462	3 092	3 731
21	2019	1.4.2026	16 226	3 930	3 968
22	2020	1.4.2027	17 956	4 037	4 076
23	2021	1.4.2028	17 941	4 231	0
				20 322	**17 577**

The fair value changes of the options of TCHF 113 739 for 2021 were charged to personnel expenses (2020: TCHF 48 677). Significant inputs to measure the fair value of the options are the economic value added as described in the Group accounting principles under employee medium-term benefits and the exercise price shown above.

40 Related-party transactions (TCHF)

	2021	2020
The following emoluments were made by the Group to the members of the Foundation Board and to Group and business unit executives during the year:		
Total emoluments of Foundation Board members	**5 008**	**3 535**
Salaries and bonuses	13 861	17 020
Long-term incentive scheme	926	23 590
Total emoluments of Group and business unit executives	**14 787**	**40 610**
Loans, advances and commitments to the Foundation Board members and Group and business unit executives are made at preferential terms customary in the banking industry. Movements in these positions to the before-mentioned related parties and close members of their families are as follows:		
Mortgages and other loans		
Carrying amount at the beginning of the year	2 825	2 825
Additions	0	0
Reductions	-302	0
Currency translation	0	0
Carrying amount at the end of the year	**2 523**	**2 825**
Contingent liabilities		
Carrying amount at the beginning of the year	811	815
Additions	15	0
Reductions	-811	0
Currency translation	0	-4
Carrying amount at the end of the year	**15**	**811**
The following deposits of the above mentioned related parties and close members of their families were reported at the year-end:		
Deposits	**71 014**	**83 763**

Hedge fund and private equity co-investment plan of LGT's employees

Each year the employees of LGT Capital Partners Ltd., which acts as investment adviser to LGT's alternative assets investment vehicles, and members of LGT's management are invited to invest in the same private equity and hedge fund investments as LGT's customers. At 31 December 2021, LGT's employees had committed a total of USD 399.1 million (2020: USD 304.4 million) to the alternative investment co-investment plans.

Prince of Liechtenstein Foundation

A number of Group transactions were concluded with the Prince of Liechtenstein Foundation (POLF), the beneficiary of the LGT Group Foundation, in the normal course of business. The following loans and deposits were reported at the year-end:

	2021	2020
Loans	2 785	0
Deposits	127 397	187 808

Post-employment benefit plans

A number of Group transactions were concluded with post-employment benefit plans in the normal course of business. The following deposits were reported at the year-end:

	2021	2020
Deposits	55 218	48 089

41 Total fees charged by the auditor (TCHF)

	2021	2020
Audit fees[1]	2 677	2 759
Audit related services[2]	2 033	1 872
Tax services	592	725
Other fees	1 811	1 926
Total	**7 112**	**7 281**

[1] Fees related to group and stand-alone financial statements and regulatory audit
[2] Fees related to accounting and regulatory compliance services and other audit and assurance services

42 Business combinations (TCHF)

Wealth management business from UBS Europe SE in Austria
On 31 July 2021, LGT acquired the wealth management business from UBS Europe SE in Austria. Since that date, the business which has become part of LGT Private Banking in Austria has been fully consolidated according to the acquisition method.

The entity contributed TCHF 8 874 to operating income and TCHF 2 013 to LGT's profit in the period from 1 August to 31 December 2021. If the business had been already acquired on 1 January 2021, the operating income of LGT would have amounted to TCHF 2 144 643 and the Group profit to TCHF 355 590.

Details of the net assets acquired and goodwill are as follows:

	2021
Cash paid	107 181
Total purchase price	**107 181**
Fair value of net assets acquired	-32 154
Total goodwill	**75 027**

The goodwill arising from the acquisition consists largely of the personnel know-how of the relationship managers acquired and the improvement of market share in high-potential markets. With this acquisition, LGT is further expanding its leading role in private banking in Austria, one of its key markets in Europe.

The assets and liabilities arising from the acquisition are as follows:

	2021
Intangible assets	32 154
Net assets acquired	**32 154**
Purchase price paid in cash or cash equivalents	107 181
Cash and cash equivalents in purchased entities	0
Cash outflow on acquisition	**-107 181**

Josef Höger, detail from “View of Ischl from Sophienplatz,” around 1836

Risk management

1. Risk management framework and process

Risk is defined by the adverse impact on profitability of several distinct sources of uncertainty. Taking risk is inherent to the financial business and an inevitable consequence of being in business. This note presents information about the Group's risk exposure and the objectives, policies and processes for measuring and managing the different risk categories.

The risk policy of LGT comprises two key elements. The risk strategy, which details the overall approach to risk-taking desired by the Board, and the risk principles, which translate the risk strategy into operating standards for both the risk organization and the required risk processes.

Consistent with the overall business strategy, the aim of risk management is to achieve an appropriate balance between risk and return and minimize potentially adverse effects on the financial performance of the Group.

LGT employs the "Internal Capital Adequacy Assessment Process" (ICAAP), based on the standards of the Basel Committee on Banking Supervision, to ensure a capital basis appropriate to its risk situation. Several risk management policies are designed to identify, assess and analyze the different risk categories, to set guidelines, appropriate risk limits and controls (risk mitigation) and to monitor the risks and adherence to limits with reliable and up-to-date information systems. The effectiveness of the risk policy, risk process and risk organization is regularly reviewed. The figure illustrates the four equivalent key elements of the LGT risk process.

Risk process

The Foundation Board is responsible for the Group's risk policy and its regular review. On a daily basis risk monitoring is conducted by the line management. The overall responsibility lies within the executive management teams of each business unit. The risk controlling units oversee the risk-taking activities of the Group. The control of risk is thus conducted outside of and independently of line management. LGT's risk controlling units are responsible for risk supervising and risk reporting for the whole Group.

LGT has identified several types of risk to which it is exposed to and applied them in ICAAP.

Risk categories

Strategic and business risk			
Market risk Interest rates Currency/Commodity Equity prices Asset and Liability Management	**Liquidity and funding risk** Cash flows Refinancing	**Credit risk** Counterparty default Concentration Collateral	**Operational risk** Internal processes People Systems External events
Regulatory and reputational risk			

Additional unaudited information in the context of the Capital Requirements Regulation (CRR, part 8) is available on the internet (www.lgt.com).

2. Strategic and business risk

Strategic risk is the danger of losses arising from strategic decisions, changes in the economic and competitive environment, inadequate or insufficient implementation of strategic objectives, or lack of capability to adjust to changing economic needs. Moreover, it comprises the danger of losses resulting from the dependency on highly qualified staff.
Business risk arises from unexpected changes in market conditions having a negative impact on profitability.

3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency, commodity and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and commodity or equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios.

Trading portfolios consist of positions arising from LGT's proprietary trading activities which are primarily pursued to support the Group's private banking and asset management business. Non-trading portfolios primarily arise from the interest rate management of the Group's banking assets and liabilities. They are an integral part of the asset and liability management (ALM) that manages the interest rate risk in the banking book and the group-wide foreign exchange risk. Non-trading portfolios also consist of equity investments.

3.1. Market risk measurement and limitation

In terms of trading portfolios and selected non-trading portfolios different approaches are used to quantify and limit market risk on a daily basis for each portfolio (e.g. Value at Risk (VaR) limits, sensitivity limits or nominal limits). Potential losses in market values arising from trading portfolios have to meet the Group's risk appetite defined by the Foundation Board.

The ALM profile and the corresponding risks are limited on Group level and for each of the banking entities separately. They are in line with the objectives and principles defined by the Foundation Board. The risk limits are defined as the change in the market value of equity for standardized shifts in interest and exchange rates respectively. In addition, gap and key rate duration limits are defined to limit maturity mismatch activities. The limits set for the ALM profile are considered to be conservative.

The table on the next page shows a summary of LGT's sensitivity analysis for securities portfolios.

LGT also performs stress tests to obtain an indication of the potential size of losses that could arise in extreme conditions. The stress testing applies stress movements of each risk category and ad hoc stress testing, which includes applying possible stress events to specific positions, portfolios or regions. The stress testing is tailored to the business and typically uses scenario analysis.

3.2. Market risk organization and reporting

The Foundation Board establishes objectives and principles for the trading business for own account and risk as well as the ALM on a group-wide level.

Operative market risk limits on trading portfolios and selected non-trading portfolios have to be approved by the CEO of LGT. The market risk arising from these trading and non-trading portfolios is monitored by Group Risk Controlling on an overnight basis. Furthermore, the trading portfolios are monitored intraday by the Risk Management of the Trading Department. Regular reports are submitted to Group and local management. Moreover, the Group Trading and Investment Committee (GTIC) is responsible for the regular review of all trading activities and for ensuring the effectiveness of the risk policy, risk processes and the risk organization.

In terms of ALM, responsibility for monitoring and control of interest rate and exchange rate risk lies with the Asset and Liability Committee (ALCO) which also defines basic principles for the refinancing activity of the LGT (focusing on medium- to long-term money) and advises the CEO of LGT on capital market transactions.

Summary sensitivity analysis (TCHF)

Negative fair value change reflected in income statement at 31 December 2021	Interest rate +100 bps	Currency -10%	Equity price -10%
Trading portfolio/designated at fair value	11 216	167 709	31 977
Total	**11 216**	**167 709**	**31 977**

Negative fair value change reflected in income statement at 31 December 2020	Interest rate +100 bps	Currency -10%	Equity price -10%
Trading portfolio/designated at fair value	10 970	156 041	29 736
Total	**10 970**	**156 041**	**29 736**

Negative fair value change reflected in equity at 31 December 2021	Interest rate +100 bps	Currency -10%	Equity price -10%
Non-trading portfolios	12 054	586 325	569 399
Total	**12 054**	**586 325**	**569 399**

Negative fair value change reflected in equity at 31 December 2020	Interest rate +100 bps	Currency -10%	Equity price -10%
Non-trading portfolios	12 797	566 671	482 281
Total	**12 797**	**566 671**	**482 281**

3.3. Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

Exchange rate risk control is implemented within the framework of LGT's overall appetite for risk. The aim of an appropriate asset and liability risk management system is to manage the exchange rate risk of LGT to optimum effect. The limits must be applied using appropriate limit types to reflect the risk. In this context sensitivity limits for limiting the maximum potential loss on the market value of shareholders' equity are defined overall and for each currency separately.

The following table summarizes the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Group's financial instruments at carrying amounts, categorized by currency.

Foreign exchange exposure at 31 December 2021 (TCHF)	CHF	EUR	USD	Other	Total
Cash in hand, balances with central banks	9 129 472	1 774 162	1 276	47 293	10 952 202
Loans and advances to banks	2 673 731	652 491	1 193 866	780 346	5 300 433
Loans and advances to customers	5 107 474	4 428 161	6 493 896	3 375 227	19 404 758
Securities held for trading purposes	3 453	0	309 314	1 021 506	1 334 272
Investment securities at fair value	5 947 346	1 059 419	3 295 638	1 825 020	12 127 422
Remaining assets	1 945 888	288 435	138 098	1 384 119	3 756 540
Total assets	**24 807 363**	**8 202 668**	**11 432 087**	**8 433 510**	**52 875 628**
Amounts due to banks	127 957	179 782	1 132 071	281 184	1 720 995
Amounts due to customers	5 695 554	7 415 905	20 517 660	6 242 764	39 871 882
Financial liabilities designated at fair value	0	252 397	0	0	252 397
Certificated debt	2 364 474	9 356	0	0	2 373 830
Remaining liabilities	2 055 381	136 324	125 041	292 955	2 609 700
Total liabilities	**10 243 367**	**7 993 764**	**21 774 772**	**6 816 903**	**46 828 805**
Net foreign exchange exposure of balance sheet	**14 563 996**	**208 904**	**-10 342 685**	**1 616 607**	**6 046 823**
Derivative financial instruments	-9 123 745	-30 741	10 418 721	-1 401 285	-137 050
Total net foreign exchange exposure	**5 440 251**	**178 164**	**76 036**	**215 322**	**5 909 773**

Foreign exchange exposure at 31 December 2020	CHF	EUR	USD	Other	Total
Cash in hand, balances with central banks	10 201 783	261 145	1 000	44 924	10 508 851
Loans and advances to banks	1 941 317	1 296 037	1 469 319	588 150	5 294 824
Loans and advances to customers	5 574 297	4 146 305	4 944 906	2 979 917	17 645 425
Securities held for trading purposes	8 252	26 338	457 971	699 484	1 192 045
Investment securities at fair value	5 390 915	942 421	3 041 283	2 021 399	11 396 018
Remaining assets	2 084 160	58 525	222 023	1 468 435	3 833 143
Total assets	**25 200 724**	**6 730 771**	**10 136 502**	**7 802 308**	**49 870 306**
Amounts due to banks	98 691	398 254	1 633 779	347 639	2 478 363
Amounts due to customers	5 628 445	6 200 008	19 507 847	5 582 081	36 918 382
Financial liabilities designated at fair value	0	232 680	0	0	232 680
Certificated debt	2 437 561	11 600	0	0	2 449 161
Remaining liabilities	2 503 857	99 625	119 215	232 201	2 954 899
Total liabilities	**10 668 555**	**6 942 167**	**21 260 842**	**6 161 921**	**45 033 486**
Net foreign exchange exposure of balance sheet	**14 532 169**	**-211 396**	**-11 124 340**	**1 640 387**	**4 836 820**
Derivative financial instruments	-9 964 534	193 748	11 081 566	-1 573 353	-262 573
Total net foreign exchange exposure	**4 567 635**	**-17 648**	**-42 775**	**67 034**	**4 574 247**

3.4. Interest rate risk

Interest rate risk associated with non-trading financial instruments (loans and advances, fixed-income securities, term deposits, certificated debt, and derivative financial instruments) is part of the Group's asset and liability management process. The Asset and Liability Committee decides on any appropriate use of derivative financial instruments. The principal interest-related derivatives used are interest rate and cross currency swaps. LGT also applies fair value hedge accounting to mortgage loan and bond portfolio interest rate risk.

Interest rate risk control is implemented within the framework of LGT's overall appetite for risk. The aim of an appropriate asset and liability risk management system is to manage the interest rate risk of LGT to optimum effect. The limits must be applied using appropriate limit types to reflect the risk. The following limit types are used in this context:

- Sensitivity limits to restrict the maximum potential loss in the market value of equity for various interest rate scenarios.
- Gap limits for limiting matching maturities within specific maturity segments.
- Key rate duration limits for limiting the maximum potential loss on the fair value of equity resulting from detrimental market movements in specific interest rate tenors.

The following analysis shows the absolute changes in fair values given a change of the respective key rate by +100 basis points.

Interest rate sensitivity analysis (CHF m)	Within 6 months	More than 6 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
All currencies 2021	**-0.7**	**-4.2**	**7.2**	**51.5**	**53.8**
CHF	3.7	1.2	23.3	51.7	79.9
USD	-4.2	-0.8	-2.2	-0.1	-7.4
EUR	-1.3	-1.8	-7.7	-0.0	-10.8
All currencies 2020	**-0.4**	**-5.0**	**1.2**	**60.8**	**56.7**
CHF	6.5	2.2	14.4	61.9	85.1
USD	-5.1	-3.4	-4.7	-0.4	-13.6
EUR	-2.1	-2.2	-5.1	0.3	-9.2

The table below summarizes the average interest rate by major currencies for monetary financial instruments not carried at fair value through profit or loss.

	at 31 December 2021			at 31 December 2020		
	CHF in %	EUR in %	USD in %	CHF in %	EUR in %	USD in %
Assets						
Loans and advances to banks	-0.78	-0.53	0.26	-0.66	-0.45	0.28
Loans and advances to customers	0.78	0.98	1.39	0.72	0.96	1.36
Investment securities measured at FVOCI – debt instruments	0.08	0.31	0.96	0.06	0.36	0.91
Liabilities						
Amounts due to banks	-1.33	-0.21	0.13	-1.48	-0.21	0.27
Amounts due to customers	-0.12	-0.16	0.05	-0.13	-0.14	0.11
Certificated debt	0.57	0.06	–	0.71	0.07	–
Lease liabilities	0.00	0.19	1.69	0.00	0.02	0.84

4. Liquidity risk

Liquidity risk is the risk that LGT may not be able to meet obligations as they fall due or to fund increases in assets without affecting either its normal daily operations or its financial condition. This can be caused by the inability to liquidate assets or to obtain funding.

Liquidity risk management primarily aims to establish a strong liquidity position by holding sufficient liquid assets and seeking for a stable funding structure to survive a number of stress scenarios. This is achieved by attracting a diversified funding base and by maintaining a strong and high-quality liquid asset portfolio of cash and marketable securities that can be monetized or pledged as collateral in the event of liquidity stress.

In general, LGT follows a centralized approach in the management of liquidity risk so far as possible from an operational and regulatory perspective. Group Treasury is mandated to manage the overall liquidity and funding position, with Group Risk Controlling acting as an independent control function, responsible for establishing, monitoring and reviewing the liquidity position, liquidity risk models and limits.

The Group's liquidity and funding risk management framework includes:

- Internal liquidity stress testing by projecting all material cash flows arising from on- and off-balance sheet items over an appropriate set of time horizons and for different stress scenarios
- Establishing funding principles that ensure effective diversification of sources and tenor of funding
- Maintaining a portfolio of unencumbered, high-quality liquid assets as insurance against liquidity shortfalls
- Cost-benefit allocation mechanism to ensure that liquidity is adequately priced
- Managing the intraday liquidity position to ensure that payment and settlement obligations are met in a timely manner
- Establishing adequate risk tolerance limits

In addition, LGT maintains a contingency plan that comprises the monitoring of a range of indicators as early warning signs, clear invocation rules and responsibilities as well as action plans to manage liquidity stress events of varying severity.

In the following table, assets and liabilities are structured according to contractual terms. It summarizes the overall funding and investment structure of the Group.

Cash flow of assets and liabilities at 31 December 2021 (TCHF)	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Cash in hand, balances with central banks	10 927 088	0	0	0	0	10 927 088
Loans and advances to banks	4 063 435	480 042	470 768	98	0	5 014 343
Loans and advances to customers	13 405 045	2 435 472	1 660 436	1 324 147	689 943	19 515 042
Derivative financial instruments	52 867 201	37 193 328	15 523 714	478 171	10 166	106 072 581
Investment securities at fair value	896 859	1 050 763	1 165 451	2 950 407	152 051	6 215 531
Total assets	**82 159 629**	**41 159 605**	**18 820 369**	**4 752 822**	**852 161**	**147 744 586**
Amounts due to banks	1 004 067	137 274	60 953	0	0	1 202 293
Amounts due to customers	34 213 270	2 808 844	1 784 874	8 092	0	38 815 079
Derivative financial instruments	52 892 591	37 301 957	15 524 622	474 781	6 754	106 200 705
Certificated debt	13 939	18 798	26 198	1 125 531	1 244 477	2 428 943
Lease liabilities	5 365	5 640	32 584	137 956	89 794	271 340
Total liabilities	**88 129 231**	**40 272 513**	**17 429 231**	**1 746 360**	**1 341 025**	**148 918 360**
Committed credit lines	1 777 799	0	0	0	0	1 777 799
Contingent liabilities	375 093	0	0	0	0	375 093

Cash flow of assets and liabilities at 31 December 2020	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Cash in hand, balances with central banks	10 479 926	0	0	0	0	10 479 926
Loans and advances to banks	3 358 732	1 183 403	580 714	0	0	5 122 849
Loans and advances to customers	12 283 628	2 226 353	1 377 087	1 193 141	638 729	17 718 939
Derivative financial instruments	39 027 656	35 490 108	10 356 310	297 449	4 993	85 176 516
Investment securities at fair value	1 316 925	1 358 749	1 134 172	2 293 241	186 312	6 289 399
Total assets	**66 466 868**	**40 258 613**	**13 448 283**	**3 783 831**	**830 035**	**124 787 629**
Amounts due to banks	1 453 822	497 238	53 575	0	0	2 004 634
Amounts due to customers	30 176 473	3 125 902	2 562 403	10 283	0	35 875 061
Derivative financial instruments	39 148 623	35 528 000	10 388 145	344 036	8 404	85 417 207
Certificated debt	3 293	11 342	343 508	763 908	1 389 639	2 511 692
Lease liabilities	5 413	5 353	31 853	132 347	62 906	237 871
Total liabilities	**70 787 624**	**39 167 834**	**13 379 484**	**1 250 575**	**1 460 949**	**126 046 465**
Committed credit lines	1 515 865	0	0	0	0	1 515 865
Contingent liabilities	349 925	0	0	0	0	349 925

Derivative cash flows at 31 December 2021 (TCHF)	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Derivatives held for trading/hedging						
Foreign exchange derivatives						
Outflow	52 719 977	37 188 540	15 097 317	296 374	0	105 302 207
Inflow	52 694 839	37 084 661	15 102 878	294 580	0	105 176 958
Interest rate derivatives						
Outflow	1 829	6 033	20 692	70 303	6 754	105 611
Inflow	-516	1 361	4 432	75 546	10 166	90 990
Other derivatives						
Outflow	170 785	107 384	406 613	108 105	0	792 887
Inflow	172 879	107 306	416 404	108 045	0	804 633
Total outflow	**52 892 591**	**37 301 957**	**15 524 622**	**474 781**	**6 754**	**106 200 705**
Total inflow	**52 867 201**	**37 193 328**	**15 523 714**	**478 171**	**10 166**	**106 072 581**

Derivative cash flows at 31 December 2020	Within 1 month	More than 1 and less than 3 months	More than 3 and less than 12 months	More than 1 and less than 5 years	More than 5 years	Total
Derivatives held for trading/hedging						
Foreign exchange derivatives						
Outflow	38 895 623	35 023 049	9 798 098	245 079	0	83 961 848
Inflow	38 778 504	34 995 259	9 788 547	245 864	0	83 808 174
Interest rate derivatives						
Outflow	2 047	26 203	63 259	66 842	8 404	166 755
Inflow	-636	19 784	36 661	17 421	4 993	78 222
Other derivatives						
Outflow	250 954	478 748	526 788	32 115	0	1 288 604
Inflow	249 787	475 066	531 103	34 164	0	1 290 119
Total outflow	**39 148 623**	**35 528 000**	**10 388 145**	**344 036**	**8 404**	**85 417 207**
Total inflow	**39 027 656**	**35 490 108**	**10 356 310**	**297 449**	**4 993**	**85 176 516**

5. Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet its contractual obligation and causes LGT to incur a financial loss. Credit risk exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Group's asset portfolio. Further, there is also credit risk in derivative financial instruments and off-balance sheet financial instruments, such as loan commitments and financial guarantee contracts.

Within LGT credit risk is primarily incurred by LGT's banking entities. Therefore, the credit risk management and control functions are located in these units. The Group Credit Committee (GCC) together with the Chief Credit Officer (CCO) has the overall responsibility for the credit business also including comprehensive credit portfolio management as well as credit risk relevant aspects with regard to trading counterparties, proprietary books and country exposures. The conservative lending policy is established by internal directives, guidelines and written policy papers. These guidelines include: (i) regulations on maximum single credit lines, (ii) limits on unsecured lending exposures to any one customer or customer group, and (iii) strict credit handling procedures and internal controls.

5.1. Credit risk strategy

LGT's credit strategy and credit management guidelines & processes are defined by the LGT Group Foundation Board in the organizational guidelines and regulations of LGT Group Foundation and LGT Group. The credit strategy comprises client segmentation, target products and target markets. Lending is an integrated part of the business philosophy of LGT and thus complementary to the wealth management services offered. Any

transaction must be viewed in the context of the whole client relationship. Credits enhance clients' commitment to LGT, facilitate the development of the client relationships and support the acquisition of target clients. It is not the policy of LGT to extend credit facilities on a stand-alone basis, but only in conjunction with assets deposited or to be deposited with LGT. LGT's credit business focuses on Lombard and mortgage credits that are managed with a prudent risk appetite and provides excellence on execution, process and solution engineering. The risk appetite of LGT is low to moderate. The center for lending business within LGT is the credit function at LGT Bank Ltd., Vaduz, with decentralized credit staff in all other banking subsidiaries of LGT Group having a functional reporting line into this credit function.

As part of its comprehensive system for monitoring lending exposures, regular reports are provided at a group level to the Foundation Board on (i) credit risk ratings, (ii) allowances, (iii) country exposures and (iv) bank limits. Stress testing of securities and property collateral is carried out regularly and on an ad hoc basis if requested by management. In addition, ad hoc reports of special events, as well as daily reports of global exposures to specific customers, are also provided on request.

5.2. Credit risk measurement

Loans and advances

In measuring credit risk of loans and advances to customers and to banks at a counterparty level, the Group assesses the probability of default of individual counterparties using internal rating tools. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available rating data. The Group regularly validates the performance of the rating tools and their predictive power with regard to default events.

Loans and advances to banks are highly diversified with a large number of mainly European banks of prime quality. Over 72% of LGT's money market lending & money market papers exposure have a rating of at least "AA", and over 96% have a minimum rating of "A". LGT closely monitors these positions and follows strict criteria when assessing a counterparty's creditworthiness.

Debt securities and other bills

For debt securities and other bills, ratings by external credit rating agencies are used for managing the credit risk exposures. The credit function at LGT Bank Ltd., Vaduz, is responsible for extending counterparty limits, while the treasury department manages the individual positions within these limits. The investments in these securities and bills are also viewed as a method of maintaining a readily available financing source to meet the funding requirements.

Over 76% of the debt securities had a rating of at least "Aa/AA," with over 97% being rated at least "A."

Assets by countries

In addition to the limitation of credit exposures of customers or customer groups, LGT has restricted the group of countries in which credit risks may be incurred. Limits are established for these countries which are reviewed by the GCC at least annually. The table below shows the allocation of assets by countries/country groups:

Assets by countries/country group (TCHF)[1]	2021	in %	2020	in %
Liechtenstein and Switzerland	21 293 894	40.3	21 484 874	43.1
Other Europe	13 466 934	25.5	10 117 831	20.3
Americas	3 361 861	6.4	3 600 292	7.2
Asia	8 510 313	16.1	7 672 491	15.4
Other countries	6 242 626	11.8	6 994 817	14.0
Total	**52 875 628**	**100.0**	**49 870 305**	**100.0**

[1] Based on risk domicile of the assets.

Derivative financial instruments
The Group maintains strict control limits on derivative positions. At any time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Group, which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements (an add-on factor is calculated depending on underlying risks and time to maturity of the contract).

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day. As member of the Continuous Linked Settlement (CLS) network LGT is able to mitigate major parts of its daily settlement risk via forex netting.

Off-balance sheet financial instruments
The primary purpose of off-balance sheet financial instruments is to ensure that funds are available to a customer as required. LGT has credit commitments in the form of guarantees and standby Letters of credit. These credit commitments carry the same credit risk as loans, and therefore the same lending criteria and identical limitation processes are applied.

5.3. Risk limit control and mitigation policies

LGT systematically manages, limits and controls concentrations of credit risk. As part of the credit risk management policy, exposures are structured by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical segments. The risks and their changes are closely monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Ongoing monitoring of all credits lies primarily within the responsibility of the relevant credit advisor or credit risk manager. In addition, Credit Portfolio Management within the credit function at LGT Bank Ltd., Vaduz, monitors all credit exposures within defined parameters. Centralized loan approval procedures ensure a consistent lending process. The credit approval process has to be in line with the credit risk management guidelines (management view) and has to comply with regulatory and corporate governance requirements (regulatory view). For all booking centers there are processes, competences, credit application forms, rating and pricing tools in place. Formal requirements must be fulfilled for all credits and high standards apply for both the internal and external credit documentation. Deepness of the due diligence shall be adequately reflected in the credit application and depends on complexity of the credit transactions, collateral composition, counterparties and jurisdictions involved.

In line with the conservative credit policy a major part of the Group's credit exposure is mitigated. The principal collaterals used within LGT are mortgages over residential properties and charges over financial instruments such as debt securities, equities and funds. Upon initial recognition of loans and advances, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to market prices or indexes of similar assets. As for Lombard credits, standard loan-to-values (LTVs) and margin requirements for trading products are decided upon by the CCO and maintained by the credit function at LGT Bank Ltd., Vaduz, and apply towards all legal entities of the LGT Group. Country and currency categorizations are taken into consideration when applying a standard LTV. Each standard LTV is determined on certain criteria such as country and issuer rating for bonds, market capitalization, tradability and volatility for equities, and volume and liquidity for funds. The total collateral value is based on quality and composition (diversification) of the pledged securities. Because of the fact that mortgages are granted primarily within Liechtenstein and Switzerland, LGT is exposed to the market trends of the real estate sector in these countries. For their high net worth private banking clients LGT also offers real estate financing solutions in selected other countries such as Austria, France, the UK, Singapore, and Hong Kong.

When trading derivatives with banking counterparties in the Interbank market, the Group uses netting and credit support agreements to mitigate credit risk.

Collateral accepted as security for assets (TCHF)	2021	2020
Fair value of financial assets accepted as collateral that the Group is permitted to sell or repledge in the absence of default	2 591 540	3 032 954

5.4. Expected credit loss (ECL) measurement

IFRS 9 ECL are recognized on the following basis:
Maximum 12-month ECL are recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting

date, weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in stage 1.

Lifetime ECL are recognized if there is a significant increase in credit risk (SICR) subsequent to the instrument's initial recognition, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in stage 2. If an SICR is no longer observed, the instrument will move back to stage 1. Lifetime ECL are always recognized for credit-impaired financial instruments, referred to as instruments in stage 3. Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit-impaired on initial recognition. Their ECL are always measured on a lifetime basis (Stage 3).

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired assets
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

5.5. Significant increase in credit risk (SICR)

Financial instruments subject to ECL are monitored on an ongoing basis. To determine whether the recognition of a 12-month ECL continues to be appropriate, it is assessed whether a SICR has occurred since initial recognition of the financial instrument. The assessment criteria include both quantitative and qualitative factors.

Loans and advances to customers

LGT assesses increases in credit risk for its two major customer credit portfolios (Lombard credits and Mortgages) by incorporating forward-looking information. In addition, credit risk is generally deemed to have significantly increased for mortgage positions if the borrower becomes more than 30 days past due on his contractual payments. For the Lombard portfolio a SICR occurs since initial recognition when positions are overdrawn (i.e. pending margin call), but the loan is still sufficiently covered by collateral. Due to the highly collateralized nature of the Lombard portfolio the overdrawn amounts are multiplied by a factor to calculate the ECL in order to reflect the history of low credit losses. The factor applied will be subject to a minimum annual review based on various factors, like the history of credit losses in the Lombard portfolio, the assessment of the available forward-looking information for Lombard loans, etc.

For commercial loans and financing of LGT inhouse funds a SICR is based on a rating comparison (i.e. the rating since initial recognition and the prevailing rating at the reporting date). Within the customer loan portfolio, the approach of a rating downgrade represents a simplified approach, reflecting the fact that this criterion will be applied only for a very small portion of the overall client loan portfolio.

Loans and advances to banks

This portfolio comprises all on-balance sheet exposures with a bank/financial institution as counterparty. It includes unsecured money market lending, secured reverse-repo lending and cash accounts. Every bank carries an internal credit rating, as a result of (i) mapping from an external rating or (ii) based on own internal analysis. For all loans and advances to banks a SICR is based on a rating comparison (i.e. the rating since initial recognition and the prevailing rating at the reporting date). A SICR occurs, if credit rating deteriorates by two notches and at the same time there is a downgrade from investment grade to non-investment grade. For positions below investment grade since inception, only the two notch criteria will apply. If the credit rating improves and the deterioration from its initial rating is less than two notches and if applicable, there is an upgrade from non-investment grade to investment grade, the position will be reclassified to Stage 1.

5.6. Definition of default and credit-impaired assets

LGT defines a financial instrument as in default, i.e. it is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Qualitative indicator: We consider that the obligor is unlikely to pay its credit obligations to LGT or any of its subsidiaries in full, without recourse by LGT to actions such as realizing security.
- Objective indicator: The obligor is past due more than 90 days on any material credit obligation to LGT or any of its subsidiaries
- A default event shall be considered to have occurred with regard to a particular obligor when either of the above criteria is met, or both are met
- For the purpose of the qualitative indicator, elements to be taken as indications of unlikeliness to pay shall include the following:

- LGT puts the credit obligation on non-accrued status;
- LGT recognizes a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to LGT taking on the exposure;
- LGT intends to sell or sells the credit obligation at a material credit-related economic loss;
- LGT consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant, fees;
- LGT has filed for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to LGT or any of its subsidiaries;
- the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to LGT or any of its subsidiaries.

The criteria above have been applied to all financial instruments held by LGT and are consistent with the definition of default used for internal credit risk management purposes.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of 12 months (shorter periods may apply for short-term loans like Lombard).

5.7. Measuring ECL, explanation of inputs, assumptions and estimation techniques

The ECL are measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD).

The ECL is determined by multiplying the projected PD, LGD and EAD for each individual exposure. For revolving products an average duration for the definition of lifetime PD is determined based on expert judgment and historical analysis.

The assumptions underlying the ECL calculation are reviewed regularly. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

5.8. Forward-looking information incorporated in the ECL models, assumptions and sensitivity analysis

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. Within the loans and advances to customers category, LGT has performed historical analysis and identified variables affecting credit risk and ECL for its two major credit portfolios (Lombard credits and Mortgages). Given the highly collateralized nature of LGT's credit portfolio these variables focus on the impact of market price reductions in the value of the collateral, including changes in foreign currency exchange rates. The applied markdowns are subject to ongoing review, based on historical market data and expert judgment. In addition to these "base scenario" markdowns possible alternative scenarios with regard to market price reductions are also applied, in order to assess the sensitivity of the results from specific factors.

As for the Lombard credit portfolio, the Credit Portfolio Management function at LGT Bank Ltd., Vaduz, conducts periodic scenario analysis on a Group level. In addition, LGT also conducts individual scenarios on an ad hoc basis, for example on specific asset classes or collateral from a specific country or collateral from a specific issuer. Based on the results of the analysis, if deemed necessary, specific credit positions with elevated risks are checked for and discussed in detail with the responsible Credit Advisor and/or Relationship Manager, including potential measures to improve a position. Based on this discussion of individual loans, if deemed necessary by the credit authorities, an individual loan position may be downgraded to Stage 2. Given that there is no effective overdraft yet, the credit authorities will decide, based on the results of the scenario analysis, whether or not and to what amount an additional building of ECL (based on individual calculations per loan positions) is deemed necessary and appropriate.

As for the mortgage portfolio, the Credit Portfolio Management function at LGT Bank Ltd., Vaduz, conducts periodic scenario analysis on a Group level, based on different levels of market/price corrections in relation to various characteristics of the mortgage position. An internal working group of mortgage experts reviews the scenarios and the applied markdowns annually. They base their opinions on their ongoing monitoring of the real estate markets LGT operates in, incl. various market research and analyst reports by international real estate appraisers, investment banks, etc. Currently, the applied markdowns are defined according to the following characteristics of real estate collateral: type of object, location and date of valuation of object.

Based on the results of the analysis specific credit positions with elevated risks are checked for and discussed in detail with the responsible Credit Advisor and/or Relationship Manager, including potential measures to improve a position, if deemed necessary. Based on this discussion of individual loans, in case elevated risks are detected and, if deemed necessary by the credit authorities, the individual mortgage position will be downgraded to Stage 2.

In order to assess the sensitivity of the results from the specific factors, the Group Risk Controlling function also regularly conducts separate risk analysis for both, the Lombard and the mortgage portfolio, based on different markdown factors. Thereby, also providing an additional independent risk review (second layer) for Senior Management.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and the chosen scenarios are appropriately representative of the range of possible scenarios.

5.9. Credit risk exposure (TCHF)

The following table summarizes the gross carrying amounts, impairment allowance by stage, carrying amounts and fair value of collateral held of those financial assets that are measured at amortized cost or at FVOCI as well as certain off-balance sheet positions. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

Exposure to credit risk (TCHF)	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Impairment allowance	Carrying amount	2021 Fair value of collateral held
Cash in hand, balances with central banks	0	0	0	0	10 952 202	0
Loans and advances to banks	1 353	2	0	1 355	5 300 433	2 455 265
Loans and advances to customers	8 157	582	16 339	25 077	19 404 758	106 165 562
Investment securities at FVOCI	350	0	4 040	4 390	6 092 874	0
Total on-balance sheet assets	**9 859**	**584**	**20 379**	**30 822**	**41 750 267**	**108 620 827**
Financial guarantee contracts and loan commitments	65	86	17 254	17 404	1 637 782	0
Total	**9 924**	**670**	**37 633**	**48 226**	**43 388 049**	**108 620 827**

Exposure to credit risk	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Impairment allowance	Carrying amount	2020 Fair value of collateral held
Cash in hand, balances with central banks	0	0	0	0	10 508 851	0
Loans and advances to banks	1 465	16	0	1 481	5 294 824	2 464 905
Loans and advances to customers	10 014	700	15 547	26 261	17 645 425	90 781 486
Investment securities at FVOCI	328	0	4 040	4 369	6 195 714	0
Total on-balance sheet assets	**11 808**	**715**	**19 587**	**32 110**	**39 644 814**	**93 246 391**
Financial guarantee contracts and loan commitments	89	42	14 349	14 480	1 247 678	0
Total	**11 896**	**758**	**33 936**	**46 590**	**40 892 492**	**93 246 391**

5.10. Collateral and other credit enhancements

LGT employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. LGT has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

LGT prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Trading in derivatives is also collateralized to a large extent by using credit support agreements.

LGT's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by LGT since the prior period.

LGT closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that LGT will take possession of collateral to mitigate potential credit losses. The exposure of such assets held as at 31 December 2021 and 2020 was not material.

5.11. Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent step up (or step down) between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period as well as impacts on the measurement of ECL due to changes made to models and assumptions;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

The COVID-related crisis did not have a significant impact and LGT maintained a strong capital and liquidity position. Due to the credit quality of the portfolio LGT experienced not only a moderate increase in credit loss expenses during 2021 and 2020, but also no materially higher ECL positions are expected as a result of the Russia-Ukraine crisis. The total amount of the undiscounted ECL allowance for financial assets measured at amortized cost or FVOCI was TCHF 44 186 (2020: TCHF 42 550). The changes in the loss allowance between the beginning and the end of the annual period, considering also transfer between stages, was not material.

5.12. Write-off policy

LGT writes off financial assets against the related provision for loan impairment, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where LGT's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

LGT may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the financial years 2021 and 2020 were immaterial.

5.13. Modification of financial assets

In very few cases, LGT modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximizing recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in de-recognition of the

original asset. LGT monitors the subsequent performance of modified assets and assesses if there is a subsequent significant increase in credit risk in relation to such assets. The gross carrying amount of financial assets that were modified during the periods 2021 and 2020 was not material.

5.14. Impairment and provisioning policies

The Group's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require it. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including reconfirmation of its enforceability) and the anticipated receipts for that individual account.

Assets are summarized separately if contractual interest or principal payments are past due but the Group believes that impairment is not appropriate yet.

LGT obtained assets by taking possession of collateral held as security. Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness.

Carrying amount of collateral and other credit enhancements obtained (TCHF)	2021	2020
Residential, commercial and industrial property	1 230	1 230

6. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This risk can be caused deliberately or accidentally or be of natural origin and encompasses all elements of the organization. Operational risks are inherent in all types of products, activities, processes and systems.

LGT's operational risk framework is based on the principles stipulated in the "Sound Practices for the Management and Supervision of Operational Risk" issued by the Basel Committee on Banking Supervision. The set guidelines ensure that risk management takes care of all defined risk categories:

- Internal and external fraud
- Employment practices and workplace safety
- Customers, products and business practices
- Damage to physical assets
- Business disruption and system failures
- Execution, delivery and process management

The operational risk measurement approach is based on three dimensions: risk self-assessments, key risk indicators and an operational risk event data base. In the case of essential operational risk events, the business units and group functions immediately inform Group Risk Controlling which then analyses, monitors and reports relevant data and initiates appropriate actions.

7. Regulatory risk

Regulatory risk is the overall risk that a change in laws and regulations or a non-compliance with them will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape.

Therefore the regulatory risk management of LGT focuses on the early identification of new regulatory requirements, the effective adoption of new regulatory requirements within LGT and the implementation of processes and procedures to ensure that all business lines within LGT permanently meet the respective legal and regulatory requirements.

8. Reputational risk

Ultimately, if risks are not identified, adequately managed and monitored, this may lead – apart from financial losses – to reputation being damaged. Reputational risk is defined as the risk of potential damage through deterioration of LGT's reputation or due to negative perception of its image among customers, counterparties, equity holders and/or regulatory authorities.

LGT pursues a holistic reputation risk management consisting of both preventive measures and a dedicated crisis management. Preventive measures are defined within the code of conduct introduced by LGT. Within the context of crisis management LGT has established processes and organizational structures to address crises and specifically trained all respective employees in order to ensure rapid and adequate responses to potential crises.

9. Fair value of financial instruments not carried at fair value

Fair value information is used for business purposes in measuring an enterprise's overall financial position. Fair value information permits comparisons of financial instruments having substantially the same economic characteristics.

9.1. Loans and advances to banks

Loans and advances are stated net of impairments. The measured fair value of loans and advances to banks is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and remaining maturity.

9.2. Loans and advances to customers

Loans and advances are stated net of impairments. The measured fair value of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received.

9.3. Amounts due to banks or to customers

The calculation of the fair values of the amounts due to banks or customers is based on the discounted cash flow method using interest rates for new debts with similar remaining maturity.

9.4. Certificated debt

The aggregated fair values are calculated under the discounted cash flow method. The model is based on a current yield curve appropriate for the remaining term to maturity.

Financial assets (TCHF)	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
Loans and advances to banks	5 300 433	5 297 325	5 294 824	5 290 789
Loans and advances to customers	19 404 758	19 536 591	17 645 425	17 800 460
Financial liabilities (TCHF)				
Amounts due to banks	1 720 995	1 721 212	2 478 363	2 478 988
Amounts due to customers	39 871 882	39 881 036	36 918 383	36 938 718
Certificated debt	2 373 830	2 406 145	2 449 161	2 528 052

Ferdinand Georg Waldmüller, detail from "View of the Dachstein and Hallstättersee from the Hütteneckalpe near Ischl," 1840

Financial statements of LGT Group Foundation

Statutory auditor's report

Statutory auditor's report

to the Foundation Supervisory Board of LGT Group Foundation

Vaduz

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LGT Group Foundation (Foundation), which comprise the income statement for the year ended 31 December 2021, the balance sheet as at 31 December 2021 and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2021 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Foundation in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Foundation Board for the Financial Statements

The Foundation Board is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Foundation Board is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Foundation Board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Liechtenstein law and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements or, whether due to fraud design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Foundation Boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Foundation Board or the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We confirm that the financial statements and the proposed appropriation of retained earnings comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Roman Berlinger

Philipp Gämperle

Liechtenstein Certified Public Accountant
Auditor in charge

Zurich, 27 April 2022

Income statement

Income statement (TCHF)	Note	2021	2020
Interest income		435	7
Interest expense		-10 046	-9 303
Dividend income from participations and investment securities		19 569	81 355
Total interest and dividend income/expense		**9 958**	**72 059**
Income from financial transactions		88 106	23 107
Other operating income	1	183 833	130 560
Total operating income		**281 897**	**225 726**
Personnel expenses	2	-27 648	-16 232
Business and office expenses	3	-29 020	-27 113
Total administrative expenses		**-56 668**	**-43 345**
Depreciation, allowances and provision on subsidiary undertakings, affiliated companies and investment securities		-20 134	-78 064
Release of impairments on subsidiary undertakings and investment securities		394	0
Profit for the period		**205 489**	**104 318**
Appropriation of available Foundation earnings			
Balance at the beginning of the period		840 754	871 437
Profit for the period		205 489	104 318
Total available Foundation earnings		**1 046 243**	**975 754**
The Foundation Board proposes to the Foundation meeting of 27 April 2022:			
Distribution to the Prince of Liechtenstein Foundation		-285 000	-135 000
Balance to be carried forward		**761 243**	**840 754**

The accounting principles and the notes on pages 100 to 106 form part of these accounts. The accounts on pages 98 to 106 were approved by the Foundation Board on 27 April 2022 and are signed on its behalf by H.S.H. Prince Max von und zu Liechtenstein, Chairman, and Olivier de Perregaux, CFO of LGT.

Balance sheet

Balance sheet (TCHF)	Note	2021	2020
Assets			
Loans and advances to banks (subsidiary undertakings)	4	18 157	1 056
of which on demand		18 157	1 056
Shares and investment securities	5	4 036 386	3 897 910
Participations	6	1 258 373	1 258 454
Other assets	7	54 097	22 434
Total assets		**5 367 012**	**5 179 855**
Liabilities			
Amounts due to banks	8	3 931 147	3 845 340
of which loans		3 931 147	3 845 340
Other liabilities	9	42 617	18 566
Accrued expenses and deferred income		7 961	1 151
Foundation capital		339 044	339 044
Profit/loss to be carried forward		840 754	871 437
Profit for the period	10	205 489	104 318
Total liabilities		**5 367 012**	**5 179 855**
Off-balance sheet items			
Collateralization guarantees and similar instruments		4 238	4 422
Guarantees and similar instruments		7 903 350	7 013 799
of which for affiliated companies		7 903 350	7 013 799
Other commitments		4 400	6 175

The guarantees and similar instruments are valued with the carrying amount. The accounting principles and the notes on pages 100 to 106 form part of these accounts.

Notes to the financial statements
Accounting principles

1. Introduction

The accounting principles are in accordance with the Liechtenstein Law on Persons and Companies (PGR) and the Liechtenstein Banking Law and its directives. A summary of the most important accounting principles, which have been applied consistently, is set out below.

The terms "LGT" or "Group" mean LGT Group Foundation together with its subsidiary undertakings and the term "Company" refers to LGT Group Foundation.

2. Basis of accounting

The accounts are prepared using the historical cost convention. All transactions are recorded on a trade date basis.

3. Foreign currencies

Revenue items denominated in foreign currencies are translated at the exchange rates prevailing on the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the balance sheet date, except financial fixed assets, which are translated at historical rates. Exchange differences are entered in the income statement.

4. Participations

Participations represent investments in subsidiary undertakings and are stated at cost, less any provision for permanent diminution in value.

5. Debt instruments and shares

Realized gains or losses arising from the disposal of securities are entered in the income statement. Securities held as current assets (short-term assets) are shown at fair value. Other securities are stated at the lower of cost or fair value.

6. Dividends

Proposed dividends from participations and investment securities are accrued as receivables in the accounts.

7. Loans and advances

These items are calculated at nominal values. Value adjustments for identifiable individual risks are set off against the corresponding asset positions.

8. Financial liabilities and provisions

These items are shown at nominal values. Provisions have been created for operational and other risks.

9. Derivative financial instruments

Derivative financial instruments that are held for trading purposes are valued at their fair market value with changes in fair market value recognized in income from trading activities. The related positive and negative replacement values are stated at gross values. Income and expense arising on derivatives used in the context of asset and liability management, primarily interest rate swaps and forward rate agreements, are recognized on an accrual basis, as this reflects the Group's risk management.

10. Risk management

Risks are defined by the adverse impact on profitability of several distinct sources of uncertainty. LGT Group Foundation is exposed to market risks, credit risks, liquidity risks, operational and business event risks. The Foundation Board is responsible for the risk policy and its regular review. The risk policy comprises two key elements:

- risk strategy, which details the overall approach to risk-taking desired by the Board; and
- risk principles, which translate the risk strategy into operating standards for both the risk organization and required risk processes.

Risk management on a daily basis is conducted by the line management. The overall responsibility lies within the executive management teams of each business unit. The risk controlling unit oversees the risk-taking activities of LGT Group Foundation and reports directly to the Board.

Details on the income statement and balance sheet

1 Other operating income (TCHF)	2021	2020
Income from subsidiary undertakings (license fees, income from service level agreements and service charge for comfort letters)	168 324	100 682
Others	15 508	29 878
Total other operating income	**183 833**	**130 560**

2 Personnel expenses (TCHF)	2021	2020
Personnel expenses before long-term incentive scheme		
Salaries	6 786	7 696
Bonuses	3 569	2 951
Social security costs	1 797	877
Pension costs	394	313
Other personnel expenses	121	189
Personnel expenses before long-term incentive scheme	**12 667**	**12 027**
Long-term incentive scheme	14 981	4 205
Total personnel expenses	**27 648**	**16 232**

3 Business and office expenses (TCHF)	2021	2020
Information and communication expenses	32	26
Travel and entertainment expenses	207	242
Legal and professional expenses	11 568	8 927
Advertising expenses	7 772	9 804
Other expenses	9 440	8 114
Total business and office expenses	**29 020**	**27 113**

4 Loans and advances to banks (subsidiary undertakings) on demand

The loans and advances to banks are bank accounts with LGT Bank Ltd., Vaduz.

5 Shares and investment securities (TCHF)	2021	2020
Opening balance	**3 897 910**	**3 650 692**
Investments	617 786	515 559
Revaluation	-19 739	-78 629
Disposals	-459 572	-189 712
Closing balance	**4 036 385**	**3 897 910**

6 Participations (TCHF)	2021	2020
Acquisition cost	1 260 770	1 259 270
Accumulated depreciation	-2 316	-1 393
Opening balance	**1 258 454**	**1 257 877**
Investments	0	1 500
Revaluation	-1	-923
Disposals/capital decrease	-80	0
Closing balance	**1 258 373**	**1 258 454**

The subsidiary undertakings of LGT Group Foundation at 31 December 2021 were:

Name	Principal activity	Registered office	% of voting rights held	% of capital held	Share capital (paid in)		Net profit of the subsidiary in business year 2021 ('000)	
LGT Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0	100.0	CHF	200 000	CHF	57 412
LGT Capital Partners Group Holding Ltd.	Holding company	Vaduz – Liechtenstein	100.0	100.0	CHF	500 000	CHF	-1 965
LGT (Uruguay) S.A. in Liquidation	Bank representation	Montevideo – Uruguay	100.0	100.0	UYU	4 600 000	USD	0
LGT Investments Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0	100.0	CHF	73 308	CHF	781
LGT Global Invest Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0	100.0	CHF	4	CHF	-6 495
LGT Participations Ltd.	Holding company	Grand Cayman – Cayman Islands	100.0	100.0	CHF	7	CHF	-2

All participations of LGT Group Foundation are unlisted.
Lightrock Holding Ltd. was sold on 1 January 2021.
LGT Capital Invest Mauritius PCC (Cell D) was liquidated on 27 October 2021.

7	Other assets (TCHF)	2021	2020
	Receivables from subsidiary undertakings	52 247	21 899
	Receivables from others	1 850	535
	Total	**54 097**	**22 434**

8	Amounts due to banks (TCHF)	2021	2020
	Amounts due to LGT Bank Ltd., Vaduz	3 931 147	3 845 340
	Total	**3 931 147**	**3 845 340**

9	Other liabilities (TCHF)	2021	2020
	Salaries	3 251	2 437
	Bonuses	5 104	3 993
	Social security costs	2 243	744
	Long-term incentive scheme	29 844	9 583
	Others	2 174	1 808
	Total	**42 617**	**18 566**

10	Statement of changes in equity (TCHF)	2021	2020
	Equity at the beginning of the business year	1 314 798	1 355 480
	Distribution to the Prince of Liechtenstein Foundation	-135 000	-145 000
	Profit for the period	205 489	104 318
	Total equity at the end of the business year	**1 385 287**	**1 314 798**

11	Headcount	2021	2020
	Headcount at 31 December	4	7

12 Analysis of balance sheet by origin at 31 December 2021 (TCHF)	Domestic	%	Foreign	%	Total	%
Assets						
Loans and advances to banks	18 157	100.0	0	0.0	18 157	100.0
Shares and investment securities	0	0.0	4 036 386	100.0	4 036 386	100.0
Participations	1 162 445	92.4	95 928	7.6	1 258 373	100.0
Other assets	37 753	69.8	16 343	30.2	54 097	100.0
Total assets	**1 218 355**	**22.7**	**4 148 656**	**77.3**	**5 367 012**	**100.0**
Liabilities						
Amounts due to banks	3 931 147	100.0	0	0.0	3 931 147	100.0
Other liabilities	41 639	97.7	978	2.3	42 617	100.0
Accrued expenses and deferred income	154	1.9	7 807	98.1	7 961	100.0
Equity	1 385 287	100.0	0	0.0	1 385 287	100.0
Total liabilities	**5 358 227**	**99.8**	**8 784**	**0.2**	**5 367 012**	**100.0**

Analysis of balance sheet by origin at 31 December 2020	Domestic	%	Foreign	%	Total	%
Assets						
Loans and advances to banks	1 056	100.0	0	0.0	1 056	100.0
Shares and investment securities	0	0.0	3 897 910	100.0	3 897 910	100.0
Participations	1 162 524	92.4	95 929	7.6	1 258 454	100.0
Other assets	10 880	48.5	11 555	51.5	22 434	100.0
Total assets	**1 174 460**	**22.7**	**4 005 395**	**77.3**	**5 179 855**	**100.0**
Liabilities						
Amounts due to banks	3 845 340	100.0	0	0.0	3 845 340	100.0
Other liabilities	18 418	99.2	148	0.8	18 566	100.0
Accrued expenses and deferred income	1 151	100.0	0	0.0	1 151	100.0
Equity	1 314 798	100.0	0	0.0	1 314 798	100.0
Total liabilities	**5 179 707**	**100.0**	**148**	**0.0**	**5 179 855**	**100.0**

13 Breakdown of assets according to country/country group (TCHF)	2021	%	2020	%
Liechtenstein	1 218 355	22.7	1 174 460	22.7
Other Europe	47 637	0.9	4 730	0.1
Americas	4 084 862	76.1	3 981 069	76.9
Asia	16 157	0.3	14 253	0.2
Other countries	0	0.0	5 343	0.1
Total assets	**5 367 012**	**100.0**	**5 179 855**	**100.0**

14

Foreign exchange exposure at 31 December 2021 (TCHF)	CHF	EUR	USD	Other	Total
Assets					
Loans and advances to banks	18 157	0	0	0	18 157
Shares and investment securities	3 988 935	31 294	5 505	10 651	4 036 386
Participations	1 258 373	0	0	0	1 258 373
Other assets	53 188	909	0	0	54 097
Total assets	**5 318 652**	**32 203**	**5 505**	**10 651**	**5 367 012**
Liabilities					
Amounts due to banks	3 930 650	497	0	0	3 931 147
Other liabilities	42 505	111	0	0	42 617
Accrued expenses and deferred income	218	203	6 902	639	7 961
Equity	1 385 287	0	0	0	1 385 287
Total liabilities	**5 358 660**	**812**	**6 902**	**639**	**5 367 012**

Foreign exchange exposure at 31 December 2020	CHF	EUR	USD	Other	Total
Assets					
Loans and advances to banks	1 056	0	0	0	1 056
Shares and investment securities	3 883 550	107	3 105	11 148	3 897 910
Participations	1 258 454	0	0	0	1 258 454
Other assets	15 014	492	6 928	0	22 434
Total assets	**5 158 074**	**600**	**10 033**	**11 148**	**5 179 855**
Liabilities					
Amounts due to banks	3 842 235	0	3 105	0	3 845 340
Other liabilities	18 418	39	77	32	18 566
Accrued expenses and deferred income	1 151	0	0	0	1 151
Equity	1 314 798	0	0	0	1 314 798
Total liabilities	**5 176 602**	**39**	**3 182**	**32**	**5 179 855**

15 Analysis of current assets and liabilities by maturity at 31 December 2021 (TCHF)

	On demand	Within 3 months	More than 3 and less than 12 months	More than 12 months	Total
Current assets					
Loans and advances to banks	18 157	0	0	0	18 157
Shares and investment securities	4 036 386	0	0	0	4 036 386
Other assets	0	21 843	31 345	909	54 097
Total current assets	**4 054 542**	**21 843**	**31 345**	**909**	**4 108 639**
Current liabilities					
Amounts due to banks	0	3 931 147	0	0	3 931 147
Other liabilities	0	1 924	8 289	32 404	42 617
Accrued expenses and deferred income	0	7 961	0	0	7 961
Total current liabilities	**0**	**3 941 032**	**8 289**	**32 404**	**3 981 725**

Analysis of current assets and liabilities by maturity at 31 December 2020	On demand	Within 3 months	More than 3 and less than 12 months	More than 12 months	Total
Current assets					
Loans and advances to banks	1 056	0	0	0	1 056
Shares and investment securities	3 897 910	0	0	0	3 897 910
Other assets	0	16 464	5 478	492	22 434
Total current assets	**3 898 967**	**16 464**	**5 478**	**492**	**3 921 401**
Current liabilities					
Amounts due to banks	0	3 845 340	0	0	3 845 340
Other liabilities	0	2 532	5 772	10 263	18 566
Accrued expenses and deferred income	0	1 151	0	0	1 151
Total current liabilities	**0**	**3 849 022**	**5 772**	**10 263**	**3 865 057**

16 Emoluments to members of the management

The emoluments to the members of the Foundation Board and to the Group and business unit executives are disclosed under note 40 in the consolidated financial statements of LGT Group.

Thomas Ender (1793–1875), detail from “Via Mala”

International presence

LGT Private Banking

Austria, *Salzburg, Vienna*
Bahrain, *Manama*
Hong Kong SAR
Ireland, *Dublin*
Japan, *Tokyo*
Principality of Liechtenstein, *Vaduz*
Singapore
Switzerland, *Basel, Berne, Geneva, Lugano, Zurich*
Thailand, *Bangkok*
United Arab Emirates, *Dubai*
United Kingdom, *Bristol, Jersey, London*

LGT Capital Partners

Australia, *Sydney*
China, *Beijing*
France, *Paris*
Germany, *Frankfurt am Main*
Hong Kong SAR
Ireland, *Dublin*
Japan, *Tokyo*
Principality of Liechtenstein, *Vaduz*
Switzerland, *Pfäffikon*
United Arab Emirates, *Dubai*
United Kingdom, *London*
United States, *New York, Raleigh*

A complete address list of all LGT locations can be found at www.lgt.com

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Josef Höger, detail from "View of Weissenbach am Attersee," around 1836

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