# LGT Bank AG

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This report does not constitute a rating action.

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## Ratings Score Snapshot

**SACP: a+**

| | | |
|---|---|---|
| Anchor | a- | |
| Business position | Strong | 1 |
| Capital and earnings | Strong | 1 |
| Risk position | Adequate | 0 |
| Funding | Adequate | 0 |
| Liquidity | Adequate | |
| CRA adjustment | | 0 |

**Support: 0**

| | |
|---|---|
| ALAC support | 0 |
| GRE support | 0 |
| Group support | 0 |
| Sovereign support | 0 |

**Additional factors: 0**

| Issuer credit rating |
|---|
| **A+/Stable/A-1** |
| **Resolution counterparty rating** |
| **AA-/--/A-1+** |

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

## Credit Highlights

### Overview

| Key strengths | Key risks |
|---|---|
| Well-established, international, private-banking business model. | Strong competition and profitability pressure in private banking. |
| Strong brand name, supported by a unique philanthropy angle, along with a stable ownership and management structure. | Market risk in the "Princely Portfolio" of long-term investments. |
| Sound liquidity position and deposit-driven funding profile. | Sensitivity to legal and reputational risks from its private-banking activities. |

**After a decade of strong growth, supported by acquisitions, we expect LGT Group (LGT) to focus more on organic growth and efficiency.** LGT's assets under management and international diversification have increased over recent years, supported by material acquisitions. LGT's latest acquisitions included the Commonwealth Bank of Australia's private advice business in 2025 and abrdn's U.K. wealth management business in 2023. We expect further acquisitions to have less strategic priority, although they are still possible. We expect LGT to streamline its existing operations to improve efficiency and to invest in its IT platform, including in generative AI. This could lead to an improvement in LGT's profitability, which has deteriorated slightly over past few years. For example, LGT's cost-to-income ratio was 81.7% in 2024, compared to 75.7% in 2020.

**Operational risks from a complex anti-money-laundering and international sanctions regime will persist.** LGT, among other banks, recently paid a Singapore dollar (S$) 1 million fine to the Monetary Authority of Singapore due to a breach of anti-money-laundering rules. In our view, this does not indicate systemic weaknesses in the bank's efforts to prevent money laundering. At the same time, operational risks could emerge from the complex international sanctions regime, which recently led to trustees abandoning their Liechtenstein trusts due to the risk of being sanctioned by the U.S. Office of Foreign Assets Control. We consider this to be a systemic issue for the Liechtenstein financial center but expect all stakeholders to comply with the international sanctions regime. More generally, LGT remains exposed to the legal and reputational risks inherent to its business model.

**S&P Global Ratings expects LGT to maintain its strong capital and earnings profile.** In the first half of 2025, LGT reported a group profit of Swiss franc (CHF) 241 million, a strong 38% increase compared to the first half of 2024. The strong performance reflected continuous growth in assets under management and increased client activity, while lower rates weighed on net interest income. LGT keeps tight control of operating costs. Personnel expenses increased by 11% due to higher performance-related remuneration and a further increase in the number of employees. Capitalization in the first half of the year remained strong, with the common equity Tier 1 (CET 1) capital ratio increasing to 18.5% from 18.2% as of year-end 2024. A good level of profitability, combined with solid earnings retention, will ensure a risk-adjusted capital (RAC) ratio of around 10.5%-12% over the next two years, compared with 10.4% in 2024.

**The legal carve-out of LGT Group's asset-management activities is still underway.** Reorganization efforts aim to dissolve the group structure to streamline its decision-making processes. The goal is to have three independent companies: LGT Private Banking, LGT Capital Partners for the asset-management business, and a separate entity for the impact-investing activities. While the latter has been already legally separated, the legal carve-out of LGT's asset-management business is still outstanding. Once the legal separation is complete, only private banking will remain within the group's consolidation perimeter, on which we base the rating. As such, LGT Group's assets under management and related fee income will be lower. However, we do not expect this to affect our rating on LGT because we do not think that the carve-out will materially impair LGT's strong private-banking franchise and solid profitability. Private banking and asset management have historically operated at arm's length within LGT Group.

# Outlook

The stable outlook reflects our view that LGT's revenue streams over the coming 12-24 months will be broadly stable despite the current asset-price volatility. Moreover, the stable outlook captures our assumption that LGT will maintain its robust compliance and governance framework, as well as its franchise strength.

## Downside scenario

We could take a negative rating action on LGT if a plunge in asset prices triggered a strong reduction in the value of the Princely Portfolio and assets under management, weakening LGT's earnings capacity and risk-adjusted capitalization. While it is a more remote prospect, we could also consider a downgrade if lower earnings retention or larger acquisitions prevented the bank from maintaining strong capitalization, or if the ongoing reorganization had unexpected negative implications for the business.

### Upside scenario

We could consider a positive rating action if LGT accumulated subordinated loss-absorbing capacity beyond our expectations, resulting in additional loss-absorbing capacity (ALAC) sustainably above our threshold of 4% of S&P Global Ratings' risk-weighted assets (RWAs). However, we would then consider an upgrade only if we were confident in the likely effectiveness of the associated resolution strategy and our comprehensive view of LGT was comparable with that of peers with 'AA-' ratings--currently only a small cohort of banks globally.

## Key Metrics

### LGT Group AG--Key ratios and forecasts

| | --Fiscal year ended Dec. 31 -- | | | | |
|---|---|---|---|---|---|
| **(%)** | **2023a** | **2024a** | **2025f** | **2026f** | **2027f** |
| Growth in operating revenue | 12.2 | 4.1 | 0.0-3.0 | 1.0-3.0 | 1.0-3.0 |
| Growth in customer loans | -9.2 | 9.4 | 0.0-3.0 | 0.0-3.0 | 0.0-3.0 |
| Growth in total assets | -4.9 | 5.4 | 0.0-3.0 | 0.0-3.0 | 0.0-3.0 |
| Net interest income/average earning assets (NIM) | 1.0 | 0.7 | 0.5-0.6 | 0.5-0.6 | 0.5-0.6 |
| Cost-to-income ratio | 78.7 | 81.7 | 81.0-83.0 | 80.0-83.0 | 79-82.0 |
| Return on average common equity | 6.3 | 5.9 | 5.4-5.9 | 5.1-5.6 | 4.8-5.3 |
| Return on assets | 0.6 | 0.6 | 0.5-0.6 | 0.5-0.6 | 0.5-0.6 |
| New loan loss provisions/average customer loans | 0.2 | 0.1 | 0.0-0.1 | 0.0-0.1 | 0.0-0.1 |
| Gross nonperforming assets/customer loans | 0.3 | 0.3 | 0.2-0.3 | 0.2-0.3 | 0.2-0.3 |
| Risk-adjusted capital ratio | 12.9 | 10.4 | 10.5-12.0 | 10.5-12.0 | 10.5-12.0 |

All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

## Anchor: 'a-' For Private Banks Based In Liechtenstein

We use the economic risk and industry risk scores from our Banking Industry Country Risk Assessment (BICRA) to determine a bank's anchor, the starting point in assigning an issuer credit rating. In the case of LGT, a private bank, we use the economic and industry risk factors for the country of origin, Liechtenstein. The anchor for LGT is 'a-', based on an economic risk score of '2' and an industry risk score of '3' for Liechtenstein. We view the economic and industry risk trends in the Liechtenstein banking industry as stable.

Economic risk in the Liechtenstein banking sector remains relatively low in a global context, despite its exposure to global free trade flow and economic uncertainties. Liechtenstein's wealth levels are among the highest globally, and although household debt is relatively high, risks remain average by European standards. As in neighboring countries such as Switzerland and Germany, house prices in Liechtenstein have risen moderately in recent years, but we see no signs of a credit-fueled asset-price bubble and expect that price increases will reduce. We expect minor credit losses in Liechtenstein's retail and corporate banking over 2025 and 2026 because of adequate risk management, along with relatively high collateralization, despite the persistently weak economic environment.

Our assessment of industry risk mainly reflects banks' off-balance-sheet business models focused on private banking and wealth management. We consider Liechtenstein banks' risk appetites to be restrained, amid a conservative risk culture, but the high confidence sensitivity of their business models exposes the financial industry to reputational risk. Liechtenstein has implemented international best practices for tax compliance and information exchange. The financial supervisory authority's banking regulation and supervision are in line with EU standards. Liechtenstein banks' funding structures reflect ample private-banking deposits, which we consider neutral for Liechtenstein's banking sector.

## Business Position: Well-Established International Private-Banking Business

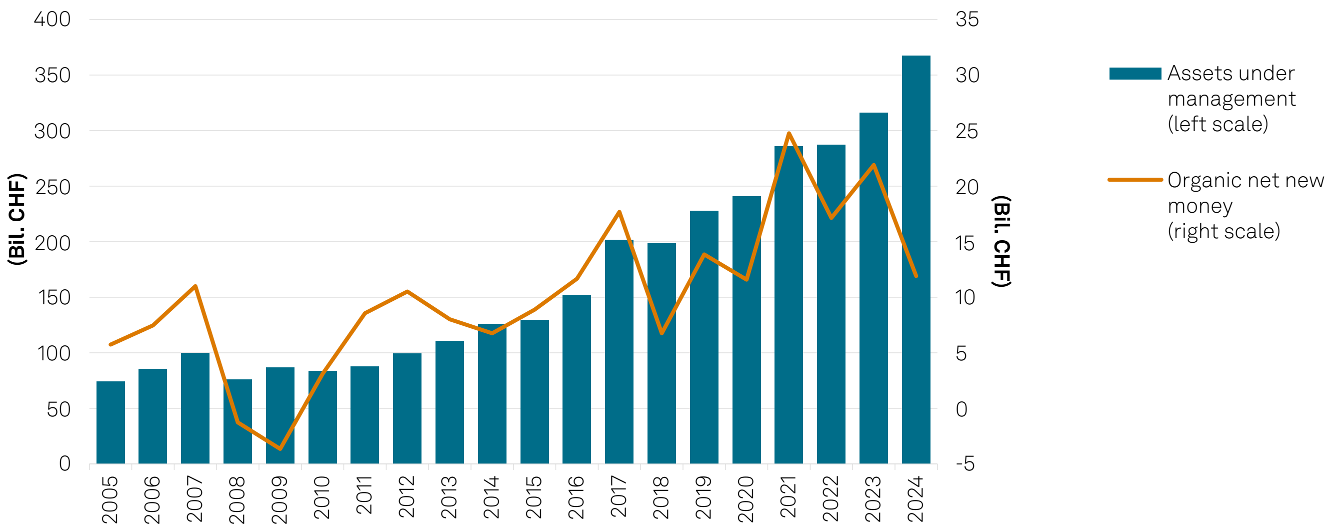
LGT's business position benefits from its standing as the leading financial institution in Liechtenstein, its well-established international franchise, its loyal client base, and its resulting operational and financial performance, which we consider stronger than peers'. LGT continues to generate strong net asset inflows, while coping well with Liechtenstein's tax regime and international sanctions.

LGT Group focuses on private-banking and asset-management and had total assets of CHF61 billion and assets under administration of CHF367 billion as of end-2024, showing 16% year-on-year growth. Assets under management have almost tripled over the past decade, and we expect them to continue increasing, albeit at a slower pace.

We expect that LGT will continue to attract new private-banking customers with its diversification and growth initiatives in its key markets of Europe, the Middle East, Asia, and Australia. The group derives about 75% of operating revenue on average from its private-banking division and about 25% from its asset-management division.

Chart 1

### Significant growth in assets under management




CHF--Swiss franc. Source: S&P Global Ratings.



A key differentiating factor in LGT's business proposition remains the co-investment product known as the Princely Portfolio as well as other co-investments in impact-investing and philanthropic activities. This is a unique setup, in our view, creating customer loyalty and aligning the bank's interests with those of its clients.

Like its peers, LGT continues to invest in digitalization to improve its efficiency and enhance the customer experience. This should limit risks to LGT's franchise from increasing competition from robo-advisors and large tech companies that will likely expand their services to attract wealthy customers.

With the opening of the LGT Incubator and Accelerator Centre in Barcelona in 2023, LGT has an innovation hub to accelerate the development of digital services and products. LGT is also making significant investments in building its AI capabilities with the aim of leveraging technological advancements, including generative AI, to offer its clients state-of-the-art services while increasing the efficiency of its internal processes.

## Capital And Earnings: Strong But Volatile Risk-Adjusted Capitalization

LGT's capital and earnings is a key rating strength. We base our assessment mainly on our risk-adjusted capital (RAC) ratio for LGT Group, which was 10.4% at end-2024. We forecast that the RAC ratio will recover to 11%-13%, which is more in line with recent years. The drop in the RAC ratio to 10.4% in 2024 from 12.9% a year before is largely due to growing equity in the banking book, which attracts high risk weights in our risk-adjusted capital framework.

The high volatility in the RAC ratio primarily stems from LGT's on-balance-sheet investments in the Princely Portfolio. This portfolio has a large share of alternative asset classes, like private equity and hedge funds, and is valued at fair value. Still, we expect the bank's capitalization to remain strong.

In our calculation of LGT's total adjusted capital (TAC) position for 2024, we make a material deduction of CHF927 million of revaluation reserves, largely reflecting unrealized gains on the Princely Portfolio, which we do not treat as capital. However, we fully acknowledge these unrealized gains in our calculation of the bank's RWAs. This materially reduces the risk weights for LGT's on-balance-sheet investments.

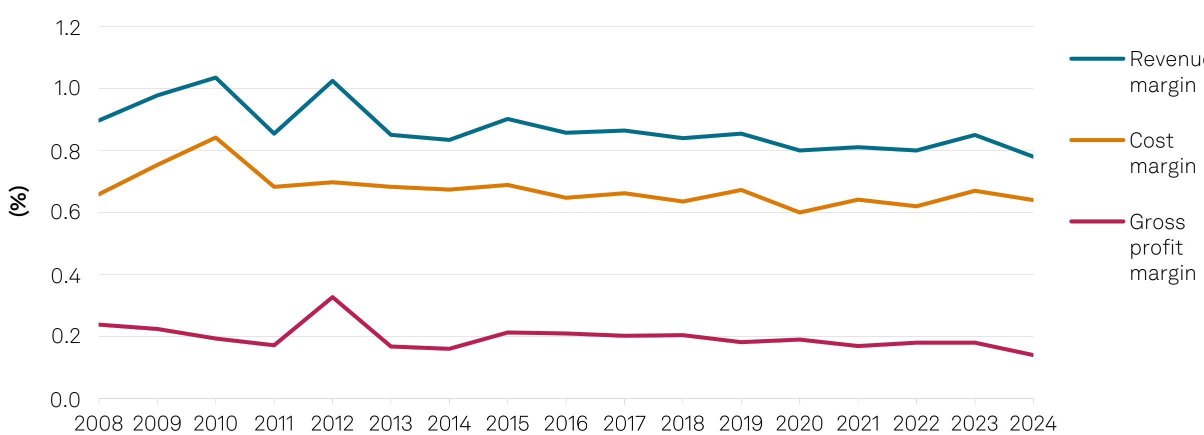
Our lower TAC in the numerator of the RAC ratio and higher risk weights for exposures in the denominator result in a substantial difference between our RAC ratio and the group's regulatory CET 1 ratio of 18.2% as of December 2024, calculated using the standardized approach. This compares with a required minimum regulatory total capital ratio of 13.9%.

We expect LGT to continue to deliver sound, albeit lower, financial results in 2026, as interest rates are declining while spending will remain high. At the same time, we assume that LGT will continue to improve its value proposition and operating efficiency to remain competitive in the global private banking market.

That said, the current economic and geopolitical environment poses material risks. Should these risks materialize, the economic environment deteriorate, and geopolitical tensions rise, lower asset valuations and lower volumes of Lombard lending could reduce fees and interest income. In our base case for 2025-2027, we project an annual net income of CHF340 million-CHF380 million and a return on equity of 5.5%-6.0%, which is solid profitability in the context of relatively high reported equity (about 9.8% of the balance sheet).

Chart 2

**LGT is largely able to defend its profit margin**




Revenue margin--Operating revenues to average assets under management (AUM). Cost margin--Noninterest expenses to average AUM. Gross profit margin--Preprovision operating income to average AUM. Source: S&P Global Ratings.



## Risk Position: Low Credit Risk And A Conservative Approach To Operational Risks In Private Banking

LGT's credit risk is very low as the loan portfolio is mostly highly collateralized, and the bank has an outstanding loan-loss record compared to its private-bank peers. Still, LGT is sensitive to global wealth and capital-market levels, and it is vulnerable to reputational risks because of the confidence-sensitive nature of its private-banking business and its exposure to market risk in the Princely Portfolio.

Moreover, LGT remains sensitive to issues relating to money laundering or the non-application of international sanctions, among other legal risks. We reflect this risk largely in our starting point for the rating because we see this as an industrywide characteristic. We expect LGT to fully comply with the international sanctions regime regarding Russian clients. We understand that LGT has no material direct exposure to country risk in Russia, Ukraine, or Belarus, nor is it reliant on Russian, Ukrainian, or Belarussian collateral. That said, it will take some time until the bank can fully unwind its remaining business with Russian clients due to the international sanctions, but we expect the overall impact to be limited and LGT's financial performance to be unaffected.

We note that LGT's loan portfolio consists primarily of Lombard lending and, to a lesser extent, mortgages (about one-quarter of the total). The collateral portfolio is of high quality and LGT monitors the portfolio on a daily basis in accordance with prudent criteria. The mortgage portfolio's exposure remains primarily to Liechtenstein and Switzerland and it has very conservative loan-to-value ratios. We do not expect any changes in LGT's conservative underwriting standards. We project that LGT's cost of risk will remain low, at between 0 and 5 basis points (bps), in line with the recent historical average, and we expect this to continue to compare favorably with private-bank peers in Liechtenstein and Switzerland.

We think that our RAC framework adequately captures LGT's market and operational risk, as seen in its elevated market and operational risk charges, which together constituted 68% of our total RWAs as of December 2024.

## Funding And Liquidity: LGT's Funding Centers On Customer Deposits

LGT's balance sheet largely reflects its deposit base and clients' use of Lombard loans, with excess deposits held in cash and diversified investment securities. LGT uses wholesale funding mainly to manage its liquidity needs over the short-to-medium term and to provide a buffer against varying levels of client activity.

LGT's deposit base remains strong, at 93.8% of the funding base as of December 2024, nearly the same level as in the previous year. We expect the moderate size of LGT's loan portfolio to support its strong stable funding and loan-to-deposit ratios. These ratios were 284% and 39%, respectively, at end-2024. LGT's funding profile continues to compare well with that of most financial institutions, reflecting the bank's business profile.

Despite its strong metrics, our assessment of LGT's funding and liquidity is neutral to the rating. Given the short-term nature of large parts of LGT's assets and liabilities, the funding and liquidity metrics dilute some risks inherent to the business model. LGT's cautious funding and liquidity approach is a necessity, in our view, considering that private-banking deposits are generally more confidence-sensitive and potentially more volatile than those of retail banks. This is particularly true during times of economic and geopolitical uncertainty.

We generally assume higher volatility in private banks' customer deposits because of lower granularity and the fact that volumes often exceed deposit insurance limits and relate to cash holdings within customers' asset allocations. . In our view, LGT is addressing these liquidity risks by holding a substantial buffer of cash, money market instruments, and investment securities, and the size of the buffer is determined by liquidity stress-testing in different scenarios.

## Support: No Uplift

In our view, LGT has high systemic importance in Liechtenstein owing to its strong brand reputation as part of the Liechtenstein financial center, its leading market position in Liechtenstein, and its ownership by the princely family of Liechtenstein.

However, since the passage of the EU's Bank Recovery and Resolution Directive into national law in 2017, we consider the likelihood of extraordinary government support for banks in Liechtenstein to be uncertain and no longer include uplift for government support in our ratings on systemic banks.

We consider the country's bank resolution framework to be effective, which generally allows us to include uplift for ALAC in our ratings on individual systemically important banks.

We consider LGT systemically important and subject to a resolution process. However, we do not assign any uplift for ALAC to LGT as its subordinated buffers are not sufficiently strong and we have doubts about the specifics of the resolution approach and LGT's operational preparedness. The resolution scenario for LGT Group assumes the recapitalization of its operations in Liechtenstein only, leaving aside the group's foreign subsidiaries.

We forecast an ALAC buffer of about 3.0% of S&P Global Ratings' RWA in the next two years. This is below our adjusted 4.0% threshold, so we don't apply any rating uplift for ALAC. We adjust our ALAC threshold on LGT for a potential rating uplift of 100 bps to 4% due to potential maturity concentrations, since there are only three senior nonpreferred instruments outstanding. This is in line with our approach to peers with similar ALAC instrument concentrations.

## Environmental, Social, And Governance

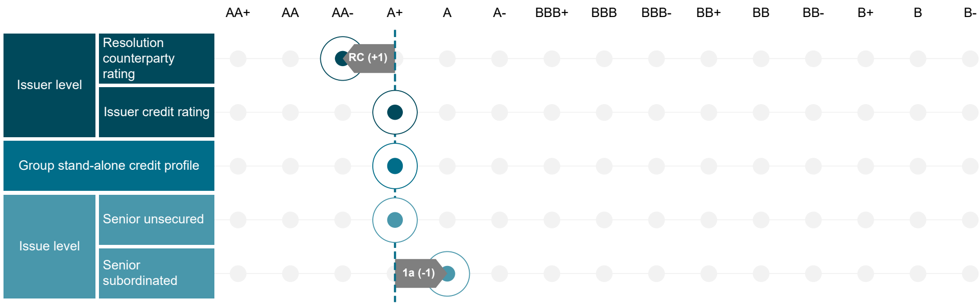
Environmental, social, and governance (ESG) factors have no material influence on our credit rating analysis of LGT. We expect the bank to continue benefiting from investors' increasing focus on ESG-related topics.

LGT was a first mover in sustainable finance. It launched a sustainable bond and equity funds in 2009. It has consistently refined its ESG strategy, including its approach to investment and sustainable corporate development. Its sustainability strategy defines specific goals, and by 2030, LGT aims to reduce to zero the net emissions from its operations and also materially reduce the greenhouse gas intensity of its investments. Since 2024, LGT has offered its GIM NextGen product, which is an investment in the Princely Portfolio including the purchase of carbon offsets to reduce the emissions associated with the investments.

The bank's private ownership by the Princely House of Liechtenstein via LGT Group Foundation might raise questions about the independence of the supervisory board and management. Ownership decisions about the size of the Princely Portfolio investments on LGT's balance sheet and unexpected capital distributions could affect LGT's creditworthiness. Although we acknowledge these risks, we think that governance is a neutral factor for the rating. We expect LGT's steady corporate development to continue.

# Issue Ratings

**LGT Bank AG: Notching**




**Key to notching**

- - - Issuer credit rating
- - - Group stand-alone credit profile
RC Resolution counterparty liabilities (senior secured debt)
1a Contractual subordination

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 3 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on July 1, 2019.



# Key Statistics

**LGT Group AG Key Figures**

| Mil. CHF | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Adjusted assets | 60,230 | 57,055 | 60,058 | 52,075 | 49,144 |
| Customer loans (gross) | 18,951 | 17,317 | 19,063 | 19,430 | 17,672 |
| Adjusted common equity | 3,772 | 3,672 | 3,365 | 2,775 | 2,406 |
| Operating revenues | 2,674 | 2,570 | 2,290 | 2,134 | 1,870 |
| Noninterest expenses | 2,184 | 2,023 | 1,766 | 1,689 | 1,415 |
| Core earnings | 401 | 421 | 464 | 389 | 379 |

CHF--Swiss franc. All figures include S&P Global Ratings' adjustments

## LGT Group AG Business Position

| (%) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Total revenues from business line (CHF mil.) | 2,674 | 2,570 | 2,290 | 2,134 | 1,870 |
| Commercial & retail banking/total revenues from business line | 76.9 | 78.1 | 76.6 | 71.7 | 74.6 |
| Asset management/total revenues from business line | 24.6 | 23.4 | 30.4 | 33.8 | 24.5 |
| Other revenues/total revenues from business line | (1.5) | (1.5) | (7.0) | (5.5) | 0.9 |
| Return on average common equity | 5.9 | 6.3 | 7.0 | 6.5 | 6.2 |

All figures include S&P Global Ratings' adjustments

## LGT Group AG Capital And Earnings

| (%) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Tier 1 capital ratio | 18.2 | 19.9 | 19.1 | 22.1 | 21.9 |
| S&P Global Ratings' RAC ratio before diversification | 10.4 | 12.9 | 11.9 | 10.7 | 9.9 |

## LGT Group AG Capital And Earnings

| (%) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Adjusted common equity/total adjusted capital | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Net interest income/operating revenues | 13.2 | 20.2 | 16.2 | 9.7 | 13.3 |
| Fee income/operating revenues | 66.0 | 60.6 | 69.5 | 74.2 | 63.4 |
| Market-sensitive income/operating revenues | 20.3 | 18.8 | 13.8 | 15.2 | 22.3 |
| Cost-to-income ratio | 81.7 | 78.7 | 77.1 | 79.1 | 75.7 |
| Preprovision operating income/average assets | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 |
| Core earnings/average managed assets | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 |

All figures include S&P Global Ratings' adjustments

## LGT Group AG Risk-Adjusted Capital Framework Data

| (CHF 000s) | Exposure* | Basel III RWA | Average Basel III RW (%) | S&P Global Ratings RWA | Average S&P Global Ratings RW (%) |
|---|---|---|---|---|---|
| **Credit risk** | | | | | |
| Government and central banks | 20,480,496 | 336,488 | 2 | 342,714 | 2 |
| Of which regional governments and local authorities | 2,647,428 | 232,096 | 9 | 153,860 | 6 |
| Institutions and CCPs | 10,500,623 | 1,538,976 | 15 | 1,303,529 | 12 |
| Corporate | 5,568,724 | 3,021,555 | 54 | 2,668,524 | 48 |
| Retail | 16,618,014 | 5,486,895 | 33 | 5,339,227 | 32 |
| Of which mortgage | 4,821,154 | 1,789,931 | 37 | 1,231,538 | 26 |
| Securitization§ | 0 | 0 | 0 | 0 | 0 |
| Other assets† | 1,279,905 | 1,442,061 | 113 | 1,420,822 | 111 |
| Total credit risk | 54,447,762 | 11,825,975 | 22 | 11,074,816 | 20 |
| **Credit valuation adjustment** | | | | | |
| Total credit valuation adjustment | '-- | 374,024 | '-- | 486,231 | '-- |
| **Market risk** | | | | | |
| Equity in the banking book | 4,865,140 | 7,589,386 | 156 | 15,811,684 | 325 |
| Trading book market risk | '-- | 2,351,627 | '-- | 3,527,440 | '-- |
| Total market risk | '-- | 9,941,013 | '-- | 19,339,124 | '-- |
| **Operational risk** | | | | | |
| Total operational risk | '-- | 4,716,035 | '-- | 5,483,357 | '-- |
| (CHF 000s) | Exposure | Basel III RWA | Average Basel II RW (%) | S&P Global RWA | % of S&P Global RWA |
| **Diversification adjustments** | | | | | |
| RWA before diversification | '-- | 26,857,048 | '-- | 36,383,528 | 100 |
| Total diversification/ concentration adjustments | '-- | '-- | '-- | 1,798,386 | 5 |
| RWA after diversification | '-- | 26,857,048 | '-- | 38,181,914 | 105 |
| (CHF 000s) | | Tier 1 capital | Tier 1 ratio (%) | Total adjusted capital | S&P Global RAC ratio (%) |

## LGT Group AG Risk-Adjusted Capital Framework Data

| (CHF 000s) | Exposure* | Basel III RWA | Average Basel III RW (%) | S&P Global Ratings RWA | Average S&P Global Ratings RW (%) |
|---|---|---|---|---|---|
| **Capital ratio** | | | | | |
| Capital ratio before adjustments | | 4,879,698 | 18.2 | 3,771,760 | 10.4 |
| Capital ratio after adjustments‡ | | 4,879,698 | 18.2 | 3,771,760 | 9.9 |

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CHF--Swiss franc. All figures include S&P Global Ratings' adjustments. Sources: Company data as of Dec. 31 2024, S&P Global Ratings.

## LGT Group AG Risk Position

| (%) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Growth in customer loans | 9.4 | (9.2) | (1.9) | 10.0 | (14.9) |
| Total diversification adjustment/S&P Global Ratings' RWA before diversification | 4.94 | 5.11 | 6.17 | 6.98 | 8.13 |
| Total managed assets/adjusted common equity (x) | 16.3 | 15.8 | 18.2 | 19.1 | 20.7 |
| New loan loss provisions/average customer loans | 0.1 | 0.2 | (0.0) | 0.0 | 0.1 |
| Net charge-offs/average customer loans | (0.0) | 0.0 | (0.0) | (0.0) | 0.0 |
| Gross nonperforming assets/customer loans + other real estate owned | 0.3 | 0.3 | 0.2 | 0.3 | 0.5 |
| Loan loss reserves/gross nonperforming assets | 48.8 | 45.6 | 59.6 | 51.1 | 31.3 |

RWA--Risk-weighted assets. All figures include S&P Global Ratings' adjustments

**LGT Group AG Funding And Liquidity**

| (%) | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Core deposits/funding base | 87.7 | 86.31 | 86.0 | 90.1 | 87.2 |
| Customer loans (net)/customer deposits | 41.8 | 41.4 | 42.9 | 48.7 | 47.8 |
| Long-term funding ratio | 94.2 | 92.8 | 91.3 | 96.4 | 93.0 |
| Stable funding ratio | 284.4 | 309.8 | 302.3 | 192.5 | 192.0 |
| Short-term wholesale funding/funding base | 6.4 | 7.9 | 9.6 | 4.0 | 7.7 |
| Regulatory net stable funding ratio | 168.7 | -- | -- | -- | -- |
| Broad liquid assets/short-term wholesale funding (x) | 12.0 | 10.4 | 8.4 | 14.9 | 7.9 |
| Broad liquid assets/total assets | 64.5 | 68.7 | 68.1 | 50.2 | 51.4 |
| Broad liquid assets/customer deposits | 87.4 | 95.6 | 93.8 | 66.5 | 69.4 |
| Net broad liquid assets/short-term customer deposits | 80.2 | 86.5 | 83.0 | 62.1 | 60.9 |
| Regulatory liquidity coverage ratio (LCR) (x) | 207.8 | 235.9 | 229.0 | 168.1 | -- |
| Short-term wholesale funding/total wholesale funding | 52.1 | 57.9 | 68.0 | 40.7 | 60.2 |
| Narrow liquid assets/three-month wholesale funding (x) | 11.8 | 10.2 | 8.7 | 15.4 | 8.8 |

All figures include S&P Global Ratings' adjustments

# Rating Component Scores

**Rating Component Scores**

| | |
|---|---|
| Issuer Credit Rating | A+/Stable/A-1 |
| SACP | a+ |
| Anchor | a- |
| Business position | Strong (1) |
| Capital and earnings | Strong (1) |
| Risk position | Adequate (0) |
| Funding and liquidity | Adequate and Adequate (0) |
| Comparable ratings analysis | 0 |
| Support | 0 |
| ALAC support | 0 |
| GRE support | 0 |
| Group support | 0 |
| Sovereign support | 0 |
| Additional factors | 0 |

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

# Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

# Related Research

- Principality of Liechtenstein, May 26, 2025
- LGT Bank AG, Sept. 26, 2024
- Banking Industry Country Risk Assessment: Liechtenstein, Sept. 16, 2024
- Liechtenstein-Based LGT Bank AG And VP Bank AG Ratings Affirmed On Resolution Strategy Evolution, Jan. 24, 2024

| **Ratings Detail (as of August 29, 2025)*** | | |
|---|---|---|
| **LGT Bank AG** | | |
| Issuer Credit Rating | | A+/Stable/A-1 |
| Resolution Counterparty Rating | | AA-/--/A-1+ |
| Senior Subordinated | | A |
| Senior Unsecured | | A+ |
| Senior Unsecured | | A-1 |
| **Issuer Credit Ratings History** | | |
| 12-May-2020 | *Foreign Currency* | A+/Stable/A-1 |
| 17-May-2018 | | A+/Positive/A-1 |
| 02-Mar-2017 | | A+/Stable/A-1 |
| 12-May-2020 | *Local Currency* | A+/Stable/A-1 |
| 17-May-2018 | | A+/Positive/A-1 |
| 02-Mar-2017 | | A+/Stable/A-1 |
| **Sovereign Rating** | | |
| Liechtenstein | | AAA/Stable/A-1+ |

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.