MOODY'S
INVESTORS SERVICE

CREDIT OPINION
24 July 2023

Update

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RATINGS

LGT Bank AG

Domicile	VADUZ, Liechtenstein
Long Term CRR	Aa1
Type	LT Counterparty Risk Rating - Dom Curr
Outlook	Not Assigned
Long Term Debt	Aa3
Type	Senior Unsecured - Dom Curr
Outlook	Stable
Long Term Deposit	Aa2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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LGT Bank AG

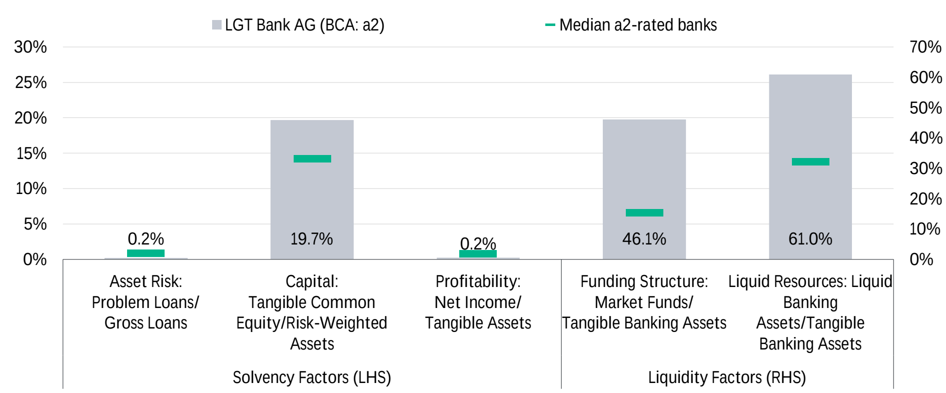
Update to the credit analysis

Summary

LGT Bank AG's Aa2 (stable) deposit and Aa3 (stable) senior unsecured debt ratings reflect its a2 BCA and the application of our Advanced Loss Given Failure (LGF) analysis to its liabilities, which results in two notches of uplift for deposits and in one notch of uplift for senior unsecured debt. The ratings incorporate one notch of uplift for government support because we view LGT Bank to be of systemic importance in Liechtenstein as the country's largest bank by assets.

LGT Bank's a2 BCA reflects the bank's strong financial fundamentals, characterised by its very high capital and strong liquidity, mitigating risks potentially arising from unexpected deposit outflows because these deposits mainly reflect the uninvested cash of the bank's wealth management clientele. LGT's BCA further incorporates the bank's very low asset risks, balanced by moderate market and operational risks inherent to all wealth management business models. Further, LGT's standalone creditworthiness captures its moderate profitability and dividend payments to its owner.

Exhibit 1
Rating Scorecard - LGT Bank AG - Key financial ratios



Source: Moody's Investors Service

This report was republished on 3 August 2023 with corrected risk-weighted data and corrected time reference for the most recent Liquidity Coverage Ratio.

Credit strengths

» Global private banking franchise with a unique selling proposition and sound asset quality

» Strong risk-weighted capital position with ample buffers above regulatory minima, providing high loss-absorption capacity and allowing for strategic flexibility

» Sizeable liquid resources, which support the bank's sound funding profile

Credit challenges

» LGT Bank is exposed to non-credit risks applicable to private banks, such as reputational, legal and operational risks

» Moderate profitability, which is highly dependent on client activity and the performance of capital markets

» Moderate market funding dependence, reflecting intragroup liabilities and issued debt

Outlook

» We expect a stable development of LGT Bank's key financial metrics over the next 12 to 18 months, accompanied by a broadly unchanged liability structure.

Factors that could lead to an upgrade

» An upgrade of LGT Bank's ratings could be prompted by an upgrade of the bank's BCA or if the bank increases the volume of its senior unsecured or lower-ranking liabilities beyond the rating agency's current expectations.

» LGT Bank's BCA could be upgraded as a result of a sustained improvement in the bank's asset quality or capitalisation, a marked improvement in profitability or a pronounced strengthening of the bank's funding and liquidity profile.

Factors that could lead to a downgrade

» A downgrade of LGT Bank's ratings could be triggered by a downgrade of the bank's BCA or by an increase in the expected loss severity as a result of a decline in the volume of loss-absorbing liabilities.

» A downgrade of LGT Bank's BCA could result from an unlikely joint deterioration in the bank's combined solvency and liquidity profiles, in particular if this resulted from an unexpected and significant materialisation of non-credit asset risks.

Key indicators

Exhibit 2

LGT Bank AG (Unconsolidated Financials) [1]

	12-22[2]	12-21[2]	12-20[2]	12-19[2]	12-18[2]	CAGR/Avg.[3]
Total Assets (CHF Billion)	49.6	40.5	39.5	38.5	34.6	9.4[4]
Total Assets (USD Billion)	53.6	44.3	44.7	39.8	35.1	11.2[4]
Tangible Common Equity (CHF Billion)	3.1	3.0	3.1	3.2	3.0	1.1[4]
Tangible Common Equity (USD Billion)	3.4	3.3	3.6	3.3	3.0	2.7[4]
Problem Loans / Gross Loans (%)	0.1	0.1	0.3	0.3	0.3	0.2[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.7	19.5	21.6	21.3	20.3	20.5[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	0.8	0.8	1.3	1.6	1.7	1.2[5]
Net Interest Margin (%)	0.6	0.5	0.6	0.7	0.7	0.6[5]
PPI / Average RWA (%)	1.0	0.5	1.0	1.0	0.9	0.9[6]
Net Income / Tangible Assets (%)	0.3	0.1	0.3	0.3	0.3	0.3[5]

Cost / Income Ratio (%)	81.8	90.4	80.9	80.0	80.6	82.8[5]
Market Funds / Tangible Banking Assets (%)	46.1	39.1	40.3	36.3	34.8	39.3[5]
Liquid Banking Assets / Tangible Banking Assets (%)	61.0	54.3	53.6	50.7	49.3	53.8[5]
Gross Loans / Due to Customers (%)	71.1	76.3	77.8	82.3	84.1	78.4[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Profile

LGT Bank AG is a well-established global privately-owned universal bank in Liechtenstein that operates as a subsidiary of LGT Group, which is ultimately fully owned by the Prince of Liechtenstein Foundation, whose beneficiary is the reigning Prince of Liechtenstein, H.S.H. Prince Hans-Adam II von und zu Liechtenstein.

LGT Bank was established in 1920 as Bank in Liechtenstein AG. In 1930, the Princely House of Liechtenstein acquired a majority stake. As of year-end 2022, LGT Group reported consolidated assets of CHF61.1 billion (2021: CHF52.9 billion) and assets under management (AUM) of CHF287.2 billion (2021: CHF285.8 billion), compared with CHF49.6 billion of total assets and CHF108 billion of AUM at LGT Bank in the same period.

LGT Bank's private banking franchise is complemented by its asset management activities, and builds on the bank's and LGT Group's proven strength in traditional and alternative asset management with particular focus on sustainable investment. It operates branches in Bahrain, Geneva, Hong Kong, Lugano, Munich, Vienna and Zurich.

As part of its ongoing global growth strategy, LGT Group continues to pursue acquisitions. In 2022, the group broadened its reach in the Asia-Pacific region by acquiring Crestone, an Australian wealth manager, which added AUD26 billion in total client assets to its portfolio. In early 2023, the group further extended its footprint by acquiring a discretionary fund management business in the UK and Jersey from abrdn plc. This business, which specializes in serving high-net-worth individuals and charitable organizations, added an additional $7.3 billion in AUM. The deal is slated for completion in the second half of the year, as LGT Group seeks to strengthen its presence in the UK market.

Detailed credit considerations

Global private banking franchise with a unique selling proposition and sound asset quality

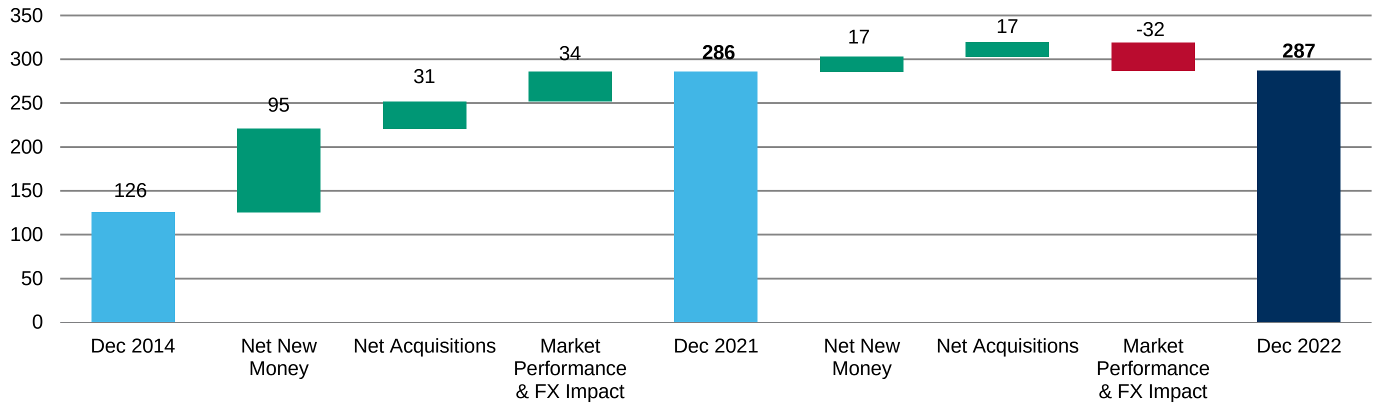
Our assessment of LGT's financial profile takes into account its dedicated focus as a global wealth manager and private bank. Our view is reflected in the assigned a1 Asset Risk score, three notches below the bank's aa1 initial score. The negative adjustment reflects non-lending credit risks inherent to all private banking and wealth management business models that may be exposed to a considerable degree of reputational, legal and operational risks that are not covered by our historical problem loan ratio. Changes in our assessment of legacy and future business-model risks will thus be captured in our Asset Risk score.

LGT Group's flagship product, the so-called Princely Portfolio, allows clients to replicate the global value-oriented long-term investment strategies of the Princely House of Liechtenstein, a unique offering among private banks in Switzerland and Liechtenstein. Since 2014, LGT Group's AUM have more than doubled, from CHF128 billion to CHF288 billion at the end of 2022, mainly through organic growth from net new money (NNM) inflows, which accounted for 70% of the increase over that period, and addition from acquisitions (Exhibit 3).

Exhibit 3

The increase of LGT Group's AUM* is mainly driven by organic growth from net new money inflows

Data in CHF billion



Notes: Data includes double-counting, reflecting around 7% of AUM at year-end 2022. Double-counting means that client assets are included in both LGT's wealth management mandates and its asset management funds.

Sources: Company reports and Moody's Investors Service

LGT Bank's limited direct credit risks arise from CHF16.4 billion of gross loans as of end-2022 (2021: CHF16.2 billion), comprising around 81% of highly collateralized Lombard loans, and 19% or CHF3.1 billion mortgages loans, related to residential, office or commercial properties. These loans were concentrated in Liechtenstein and Switzerland and reflect conservative lending and valuation criteria with a robust track record. LGT Bank's mortgage portfolio has not recorded any significant deterioration in performance and its Lombard loans have maintained sound collateralisation levels, with no significant shortfalls even in the most recent more volatile market periods.

As of year-end 2022, LGT Bank’s volume of impaired loans remained stable at a low level of CHF24 million (December 2021: CHF24 million) of gross loans. Therefore, LGT's asset-quality metrics continue to reflect very low risk and high loan quality, comparing favourably with those of similar banks globally.

Further, LGT Bank has no material direct country risk exposure or material reliance on Russian, Ukrainian or Belarus collateral and had not suffered any material loss from transactions or exposures.

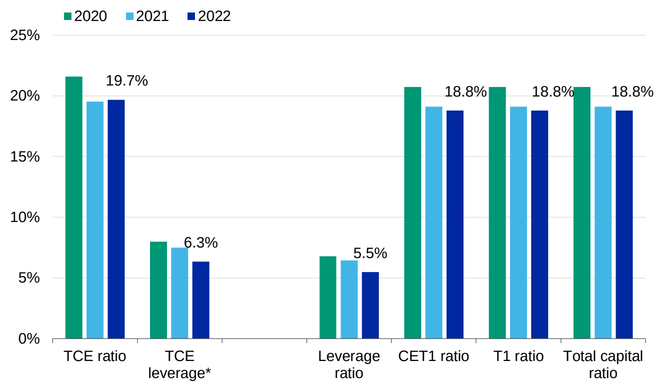
High risk-weighted capital with ample buffer above regulatory minima provides substantial loss-absorption capacity and allows for strategic flexibility

LGT Bank's credit profile is strongly supported by its high risk-weighted capitalisation, a view which is reflected in our assigned Capital score of aa2, in line with the initial score. Our assessment takes into account the bank's limited earnings retention, which reflects the expectation that future earnings will in part be paid out to its owners, as well as its sizeable capital buffers to compensate for larger acquisitions or fund organic growth.

Our favorable capital assessment of LGT Bank is underpinned by a Tangible Common Equity (TCE) ratio of 19.7% as of the end of 2022 (2021: 19.5%), reflecting around 4% higher equity, driven by earnings retention, and around 3% higher risk-weighted assets (RWA) of CHF15.9 billion. LGT Bank calculates its RWA in accordance with the standardised approach. Over the same period, the bank's TCE leverage ratio was significantly lower at 6.3%, down from 7.5%, reflecting strong balance sheet growth of around 22% to CHF49.6 billion of total assets as of the end of 2022.

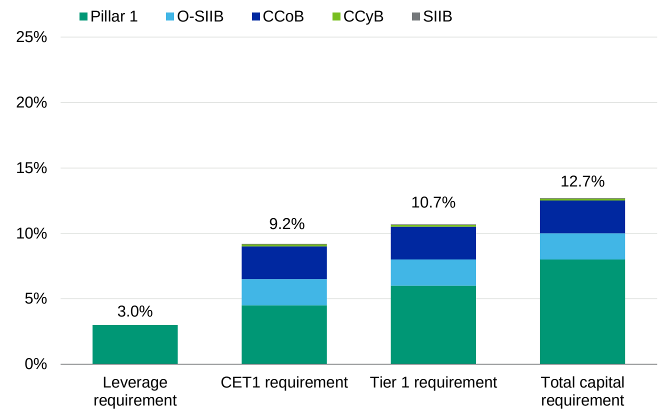
LGT Bank's regulatory Common Equity Tier 1 (CET1) capital ratio decreased moderately to 18.8% (2021: 19.1%), because CET1 capital was only up 1% while RWAs increased by around 3% (Exhibit 4). The bank's strong balance sheet growth also triggered a decline in its regulatory leverage ratio, which compares Tier 1 capital to exposure at default, falling to 5.5% at the end of 2022, from 6.4% in 2021. Despite the moderate weakening, we believe that LGT's strong level and high quality of capital allows strategic flexibility and provides significant loss-absorption capacity in case of need. We expect that LGT Bank will broadly maintain a CET1 capital ratio around 19-20%.

Exhibit 4
LGT Bank's capital ratios, grouped by Moody's versus regulatory view
Data in percent of RWA, except for leverage ratios



Note: TCE = Tangible common equity; CET1 = Common Equity Tier 1 capital. *The TCE leverage ratio compares TCE to tangible banking assets.
Sources: Moody's Investors Service and company reports

Exhibit 5
LGT Bank comfortably exceeds its regulatory minimum requirements*
Data in percent of RWA



Note: *LGT Bank has no Pillar 2 Requirement (P2R), which is set at 1.0% at group level.
Sources: Moody's Investors Service and company reports

At group-level, LGT's consolidated CET1 capital ratio moderately declined to 19.1% as of the end of 2022, compared with 22.1% in 2021. We believe that the higher volatility versus the bank's capital ratios reflects the fact that around one-third of LGT Group's regulatory capital is derived from unrealised gains related to the bank's own investment in the Princely Portfolio and, therefore, results in market-driven valuation swings. We expect that LGT Group will operate with continued high buffers over regulatory minima, taking into account its Total Capital Requirement of 13.7% at the end of 2022.

Very liquid balance sheet with sizeable, high quality financial securities

LGT Bank's ample liquidity is reflected in our assigned Liquid Resources score of aa3, which is one notch below the initial score. The downward adjustment considers that some financial assets relate to other group entities, including banks, and are therefore not freely available to the Vaduz-based bank at all times.

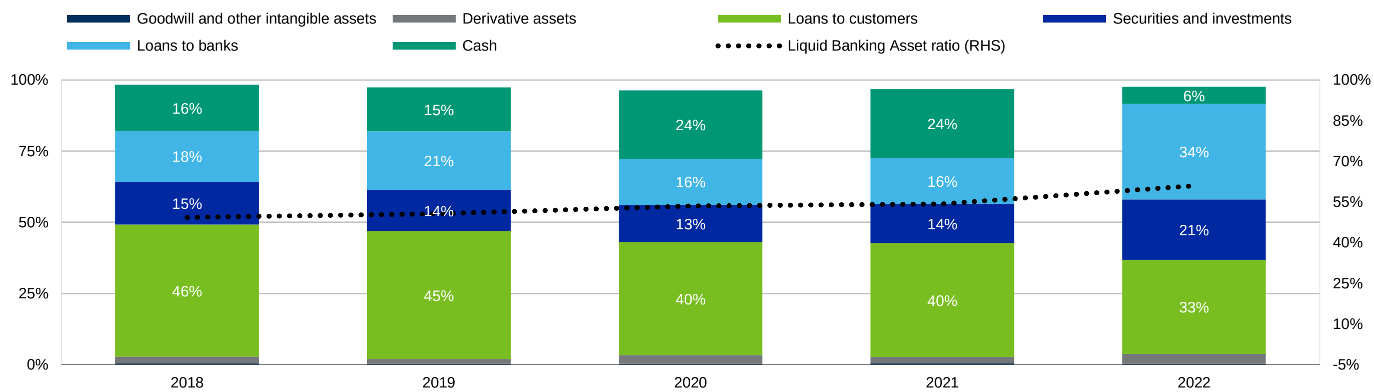
Similar to other wealth managers, LGT Bank holds sizeable liquidity to offset the risk of sudden and significant deposits outflows, which clients could trigger anytime given their investment appetite and because of the contractual short-term maturity of deposits. As of the end of 2022, LGT Bank's liquid resources accounted for 61% of Tangible Banking Assets (TBA), a moderate increase from an already strong 54% in 2021. The bank's liquidity primarily arises from CHF2.9 billion held in cash (2021: CHF9.8 billion), €16.7 billion claims on banks (2021: CHF6.5 billion), as well as CHF11.9 billion financial securities (2021: CHF6.6 billion).

In 2022, the structure of LGT Bank's liquid assets somewhat changed as interest rates increased. The bank now holds lower cash, equivalent to 6% of assets, down from 24% in 2021, and higher loans to banks, up to 34% of assets from 16% the year before. The change partly reflects that the bank now holds a higher volume of short-term SNB bills as well as money market papers and short-term financial holdings which triggered an increase of the bank's financial assets to 21% of its tangible banking assets, from 14% in 2021 (Exhibit 6).

Exhibit 6

LGT Bank's sizeable liquid resources reflect cash, claims on banks, and financial securities

Data as percent tangible banking assets



Source: Moody's Investors Service

Overall, LGT Bank's financial securities have very short-term maturities of less than 12 months. This meaninfgully reduces related market and valuation risks as and when interest rates change and requires less hedges because the duration of these assets is very low. According to local GAAP accounting, LGT Bank uses accrual accounting for these positions.

From a regulatory perspective, LGT Bank's high-quality liquid assets averaged CHF19.2 billion in Q4 2022, which comfortably covered the CHF10.3 billion of assumed net cash outflows over the same period, leading to a very comfortable Liquidity Coverage Ratio (LCR) of 186% for Q4 2022 and broadly unchanged from 195% as of Q4 2021.

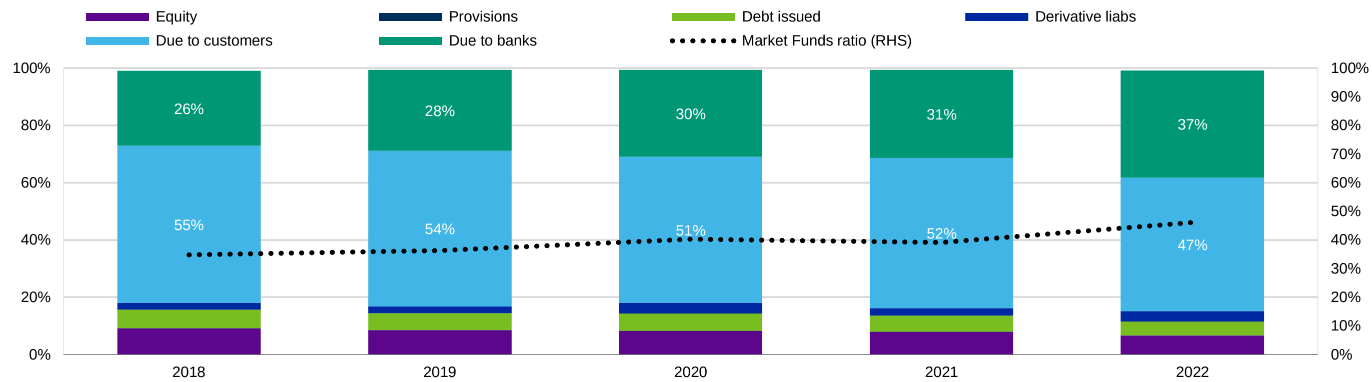
Moderate market funding dependence reflects intragroup liabilities and issued debt

LGT Bank's moderate market funding dependence is reflected in our assigned a3 score for Market Funding, seven notches higher than the initial score. Our large positive asjustment reflects pass-through intragroup liabilities, which we do not consider confidence-sensitive market funding but rather an efficient allocation of liquidity within LGT Group. As of year-end 2022, CHF14.1 billion or 76% of LGT Bank's liabilities to banks represented intragroup liabilities obtained from LGT Group companies.

Similar to other wealth managers, LGT Bank's liabilities mostly originate from deposits, accounting for 47% of assets as of 31 December 2022 (2021: 53%). Because deposits relate to LGT Bank's wealth management activities, we consider the bank's deposit volumes to be less granular than retail deposits, subject to higher fluctuations, and sensitive to shifts in clients' investment risk appetite.

In 2022, LGT Bank's Market Funds ratio of 46% reflected CHF18.6 billion liabilities to banks, CHF1.4 billion trading liabilities, and CHF2.1 billion issued debt, including CHF710 million of junior senior unsecured bond instruments, issued to institutional investors to diversify its funding structure (Exhibit 7). We expect LGT Bank to remain an active capital market issuer to maintain its good access to a variety of funding channels. At the end of 2022, the bank's regulatory net stable funding ratio was 229%.

Exhibit 7
LGT Bank exhibits a moderate market funding dependence reflecting liabilities to banks and issued debt
Data as percent tangible banking assets



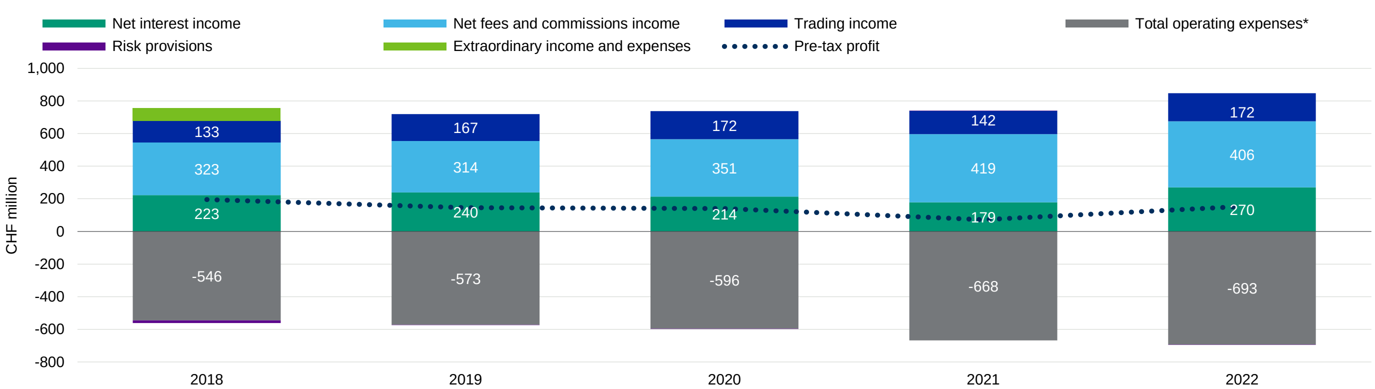
Source: Moody's Investors Service

Moderate profitability which will benefit from expense flexibility and digital investments

LGT Bank's assigned Profitability score is ba2, two notches above its initial score. Our positive assessment reflects operating expense flexibility owing to a relatively high share of variable costs. This allows the bank to limit a potential decline in net income in an adverse market environment. Further, we expect that LGT Bank will improve its ability to generate operating leverage, reflecting continuous investments into digital solutions.

In 2022, LGT Bank's reported a net income of CHF134 million, up from CHF60 million in 2021, and contributing 32% to LGT Group's profit (2021: 17%). The increase was driven by 51% higher net interest income, which was up to CHF270 million from CHF179 million over the same period. The bank's net commission and fee income, its most important revenue component, was slightly down to CHF406 million, compared with CHF419 million the year before, reflecting market volatility and the broadly unchanged level of AUM. Operating expenses increased moderately by around 3% to CHF657 million in 2022. Including almost unchanged depreciation and amortization expenses of CHF34 million (2021: CHF28 million), the bank's cost-to-income ratio improved to around 82% in 2022, compared with 90% in 2021.

Exhibit 8
LGT Bank's profitability benefits from the more favorable interest-rate environment



Note: *Total operating expenses include personnel and administrative expenses, as well as depreciation and amorization expenses.
Sources: Company reports and Moody's Investors Service

ESG considerations

LGT Bank AG's ESG Credit Impact Score is CIS-2

Exhibit 9
ESG Credit Impact Score

CIS-2
Neutral-to-Low

NEGATIVE IMPACT POSITIVE IMPACT

For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.

Source: Moody's Investors Service

LGT Bank's CIS-2 indicates that ESG considerations do not have a material impact on the current rating.

Exhibit 10
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-2	S-3	G-2
Neutral-to-Low	Moderately Negative	Neutral-to-Low

Source: Moody's Investors Service

Environmental
LGT Bank faces low environmental risks. In line with most private wealth and asset managers, LGT Bank has low exposure to carbon transition risk from its mortgage and Lombard lending book and its investment fund exposures are well diversified. In response to developing customer focus on environmental stewardship and wider ESG considerations, the bank increasingly takes steps to align its asset and wealth management offers with the transition to a low-carbon economy.

Social
LGT Bank faces moderate social risks related to regulatory and litigation risks, requiring the bank to meet high compliance standards. In line with most private wealth managers, LGT Bank's exposure to customer relations risks is mitigated by the bank's developed policies and procedures, supported by its client mix being geared towards more professional clients. High data security and customer privacy risks are also mitigated by technology solutions and organizational measures to prevent data breaches. Social risks related to demographic trends are partly mitigated by the bank's focus on wealth management services, including services for the transfer of wealth to the next generation.

Governance
LGT Bank faces low governance risks. LGT Bank demonstrates sound governance through a strong board along with prudent financial policies, risk management and compliance functions, additionally proven by management's strong track record. LGT Group has been undergoing a transformation of its management and legal structures, which has so far not been reflected in its financial reporting. This is a limiting factor to financial disclosures, which are less comprehensive relative to peers and industry best practice. LGT Bank is ultimately owned by the Princely House of Liechtenstein whose members have reduced their direct involvement in LGT Group's

operations. Governance risks related to concentrated ownership are mitigated by the presence of independent directors and the country's developed institutional framework.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

Based on our assessment of LGT Group's (LGT Bank's parent institution and 100% owner) credit profile, the group's activities do not provide significant business diversification in addition to LGT Bank's private banking franchise, and the group's ability to provide additional support, in case of need, is limited. As a result, LGT Bank does not receive any affiliate support uplift from its parent institution.

Advanced Loss Given Failure (LGF) analysis

With the transposition of the European Bank Recovery and Resolution Directive into national law, Liechtenstein has introduced an operational resolution regime. Therefore, we apply our Advanced LGF analysis to LGT Bank, taking into consideration the risks faced by the different debt and deposit classes across the liability structure at failure. We assume a residual TCE of 3% and post-failure losses of 8% of tangible banking assets, a 25% run-off in junior wholesale deposits and a 5% run-off in preferred deposits, and we assign a 25% probability to deposits being preferred to senior unsecured debt. These ratios are in line with our standard assumptions for EU banks.

For LGT Bank's junior deposits, our Advanced LGF analysis indicates a very low loss given failure, leading to two notches of rating uplift from the bank's a2 Adjusted BCA, before government support.

For issuer and senior unsecured debt ratings, our Advanced LGF analysis indicates a low loss given failure, leading to one notch of rating uplift from LGT Bank's a2 Adjusted BCA, before government support.

For junior senior unsecured debt, our LGF analysis indicates a high loss given failure, leading to an A3 rating for LGT Bank's junior senior unsecured debt, one notch below the a2 Adjusted BCA.

Government support considerations

We assign one notch of uplift to LGT Bank's long-term deposit and senior unsecured debt ratings, taking into consideration the support of the Principality of Liechtenstein. This reflects our assumption of such support being forthcoming in a stress scenario, taking into account LGT Bank's importance to the domestic deposit-taking market and sizeable national market shares.

We consider LGT Bank a domestic systemically important financial institution. Our assessment takes into account the bank's strong franchise in private wealth management and resulting key role in the country's important financial service industry, the full (yet indirect) ownership by the family and the sovereign's financial capacity to provide support to LGT Bank.

We further recognise the importance of wealth management activities for Liechtenstein's economy, and the detrimental impact that major financial problems (which we do not expect) at one of the country's largest banks and asset managers could have on the overall perception of the country and, subsequently, on similar businesses, their employees and fiscal revenue.

Aa1/P-1 Counterparty Risk Ratings (CRRs)

The bank's CRRs are four notches above the a2 Adjusted BCA, reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities and one additional notch of government support uplift assuming a Moderate level of support.

Aa1(cr)/P-1(cr) Counterparty Risk (CR) Assessment

The bank's CR Assessment is four notches above the a2 Adjusted BCA, based on the buffer against default provided by more subordinated instruments – including junior deposits and senior unsecured debt – to the senior obligations represented by the CR Assessment and one additional notch of government support uplift assuming a Moderate level of support.

Because the CR Assessment captures the probability of default on certain senior operational obligations, rather than expected loss, we focus purely on subordination and take no account of the volume of the instrument class.

Methodology and scorecard

Methodology

The principal methodology used in rating LGT Bank was the Banks Methodology, published in July 2021.

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 11

LGT Bank AG

MACRO FACTORS							
WEIGHTED MACRO PROFILE	**STRONG +**	**100%**					

FACTOR	HISTORIC RATIO	INITIAL SCORE	EXPECTED TREND	ASSIGNED SCORE	KEY DRIVER #1	KEY DRIVER #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	0.2%	aa1	↔	a1	Operational risk	Market risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	19.7%	aa2	↔	aa2	Risk-weighted capitalisation	Expected trend
Profitability						
Net Income / Tangible Assets	0.2%	b1	↔	ba2	Return on assets	Expected trend
Combined Solvency Score		a1		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	46.1%	b1	↔	a3	Extent of market funding reliance	Market funding quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	61.0%	aa2	↔	aa3	Asset encumbrance	Stock of liquid assets
Combined Liquidity Score		baa2		a2		
Financial Profile				a2		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				-		
BCA Scorecard-indicated Outcome - Range				a1 - a3		
Assigned BCA				a2		
Affiliate Support notching				0		
Adjusted BCA				a2		

BALANCE SHEET	IN-SCOPE (CHF MILLION)	% IN-SCOPE	AT-FAILURE (CHF MILLION)	% AT-FAILURE
Other liabilities	22,463	45.4%	24,819	50.2%
Deposits	23,098	46.7%	20,742	42.0%
Preferred deposits	17,093	34.6%	16,238	32.8%
Junior deposits	6,006	12.1%	4,504	9.1%
Senior unsecured bank debt	1,682	3.4%	1,682	3.4%
Junior senior unsecured bank debt	710	1.4%	710	1.4%
Equity	1,483	3.0%	1,483	3.0%
Total Tangible Banking Assets	49,435	100.0%	49,435	100.0%

DEBT CLASS	DE JURE WATERFALL		DE FACTO WATERFALL		NOTCHING		LGF NOTCHING GUIDANCE VS. ADJUSTED BCA	ASSIGNED LGF NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT
	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	DE JURE	DE FACTO				
Counterparty Risk Rating	16.9%	16.9%	16.9%	16.9%	3	3	3	3	0	aa2
Counterparty Risk Assessment	16.9%	16.9%	16.9%	16.9%	3	3	3	3	0	aa2 (cr)
Deposits	16.9%	4.4%	16.9%	7.8%	2	2	2	2	0	aa3
Senior unsecured bank debt	16.9%	4.4%	7.8%	4.4%	2	0	1	1	0	a1
Junior senior unsecured bank debt	4.4%	3.0%	4.4%	3.0%	-1	-1	-1	-1	0	a3

INSTRUMENT CLASS	LOSS GIVEN FAILURE NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT	GOVERNMENT SUPPORT NOTCHING	LOCAL CURRENCY RATING	FOREIGN CURRENCY RATING
Counterparty Risk Rating	3	0	aa2	-	Aa1	
Counterparty Risk Assessment	3	0	aa2 (cr)	-	Aa1(cr)	
Deposits	2	0	aa3	-	Aa2	Aa2
Senior unsecured bank debt	1	0	a1	-	Aa3	(P)Aa3
Junior senior unsecured bank debt	-1	0	a3	-	A3	(P)A3

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 12

Category	Moody's Rating
LGT BANK AG	
Outlook	Stable
Counterparty Risk Rating -Dom Curr	Aa1/P-1
Bank Deposits	Aa2/P-1
Baseline Credit Assessment	a2
Adjusted Baseline Credit Assessment	a2
Counterparty Risk Assessment	Aa1(cr)/P-1(cr)
Issuer Rating	Aa3
Senior Unsecured -Dom Curr	Aa3
Junior Senior Unsecured -Dom Curr	A3
Junior Senior Unsecured MTN	(P)A3

Source: Moody's Investors Service

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