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Media release

LGT with record net asset inflows in 2016

Vaduz, 13 March 2017. **LGT, the leading international private banking and asset management group owned by the Princely House of Liechtenstein, continued on its successful course in the 2016 financial year. Group profit for the full year rose 9% to CHF 230.0 million, despite a challenging market environment and further investments in business growth. Net asset inflows totaled CHF 11.7 billion, which corresponds to continued strong growth of 9%. The successful completion of the LGT Vestra acquisition contributed an additional CHF 8.0 billion in client assets. Assets under management increased 18% to CHF 152.1 billion.**

The 2016 financial year was characterized by economic and political uncertainties, which was reflected in subdued client activity. Despite this environment, LGT continued on its growth path. Total operating income increased 5% compared to the previous year to CHF 1.2 billion. Net interest and similar income increased to CHF 172.3 million thanks to efficient balance sheet management, and income from services rose to CHF 823.9 million as a result of the larger asset base. At CHF 210.0 million, income from trading activities and other operating income was lower than in 2015, reflecting a one-off contribution from a real estate sale recognized in the previous year's result.

Total operating expenses increased 9% in 2016 to CHF 895.4 million. Personnel expenses rose 6% to CHF 670.5 million, reflecting higher staff levels and performance-related compensation in accordance with the success of the business, as well as a positive effect from pension plan adjustments. Business and office expenses rose 20% to CHF 224.9 million, which is mainly attributable to further business expansion. Depreciation, amortization and provisions declined to CHF 55.6 million, in particular due to the release of existing provisions. The cost-income ratio was 74.2% as per year-end 2016, compared to 71.2% at the end of 2015.

Overall, group profit rose 9% in 2016 to CHF 230.0 million. LGT is very well capitalized and has a high level of liquidity. The tier 1 capital ratio was 20.2% as at 31 December 2016, compared to 20.1% for the previous year.

Continued strong net new asset growth

In 2016, LGT reported record net asset inflows totaling CHF 11.7 billion, which corresponds to a 9% growth of assets under management at year-end 2015. All regions and both of the group's business areas contributed to this positive result.

Assets under management rose 18%, from CHF 129.3 billion as per year-end 2015 to CHF 152.1 billion. This includes CHF 8.0 billion in assets under management from the acquisition of a majority stake in LGT Vestra completed in the first half of 2016. The related income and expenses are reflected in LGT's financial statements starting from the second half of 2016.

Consistent implementation of growth strategy

LGT continued to consistently implement its international growth strategy in 2016. With the London-based wealth management boutique LGT Vestra, LGT now has a notable foothold in the important British market. The acquisition of the ABN AMRO private banking business in Asia and the Middle East announced in the fourth quarter of 2016 will significantly further strengthen LGT's

position in these attractive growth markets. The transaction is envisaged to be completed in the second quarter of 2017, subject to regulatory approval.

On 3 March 2017, LGT announced that it will acquire the London- and Paris-based private debt manager European Capital Fund Management, including a team of more than 20 specialists. With this transaction, which is also expected to close in the second quarter of 2017, the group will complement the private markets offering and enhance one of the core competencies of its asset management division, LGT Capital Partners.

Outlook

Despite ongoing market uncertainties, LGT is optimistic for the further development of its business in 2017 and beyond.

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT: "The good result achieved in the 2016 financial year, and the continued strong new asset growth in particular, are evidence of the high level of trust that our clients place in us. Honoring this trust by providing our clients with investment expertise and a stable platform in this challenging environment is our number one priority. We want to continue on the path we have set out by strengthening our client offering further."

LGT in brief

LGT is a leading international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family for over 80 years. As per 31 December 2016, LGT managed assets of CHF 152.1 billion (USD 149.7 billion) for wealthy private individuals and institutional clients. LGT employs over 2600 people who work out of more than 20 locations in Europe, Asia, the Americas and the Middle East. www.lgt.com

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Key figures as per 31.12.2016

	31.12.2016	31.12.2015	Change (in %)
Consolidated income statement (in CHF m)			
Net interest and similar income	172.3	115.3	49.5
Income from services	823.9	783.7	5.1
Income from trading activities and other operating income	210.0	250.4	-16.1
Total operating income (in CHF m)	**1 206.2**	**1 149.3**	**4.9**
Personnel expenses	670.5	631.9	6.1
Business and office expenses	224.9	186.9	20.3
Total operating expenses (in CHF m)	**895.4**	**818.8**	**9.3**
Depreciation, amortization and provisions	55.6	110.7	-49.8
Tax and minority interests	25.2	8.8	186.6
Group profit (in CHF m)	**230.0**	**211.0**	**9.0**
Assets under management (in CHF bn)[1]	**152.1**	**129.3**	**17.6**
Net asset inflow (in CHF bn)[1]	**11.7[2]**	**8.9**	**31.4**
Asset growth from acquisition of LGT Vestra (in CHF bn)	**8.0**	**--**	
Total assets (in CHF bn)	**35.8**	**34.2**	**4.4**
Group equity capital (in CHF m)	**3 643**	**3 314**	**9.9**
Ratios (in %)			
Cost/income ratio	74.2%	71.2%	
Tier 1 ratio	20.2%	20.1%	
Liquidity Coverage Ratio	191.0%	142.7%	
Headcount	**2 632**	**2 212**	
Rating Moody's/Standard & Poor's for LGT Bank Ltd.	**Aa2/A+**	**Aa2/A+**	

[1] Excluding Princely Portfolio
[2] Without acquisition of LGT Vestra

Final Audit: 27 April 2017