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Ratings

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LGT Bank AG

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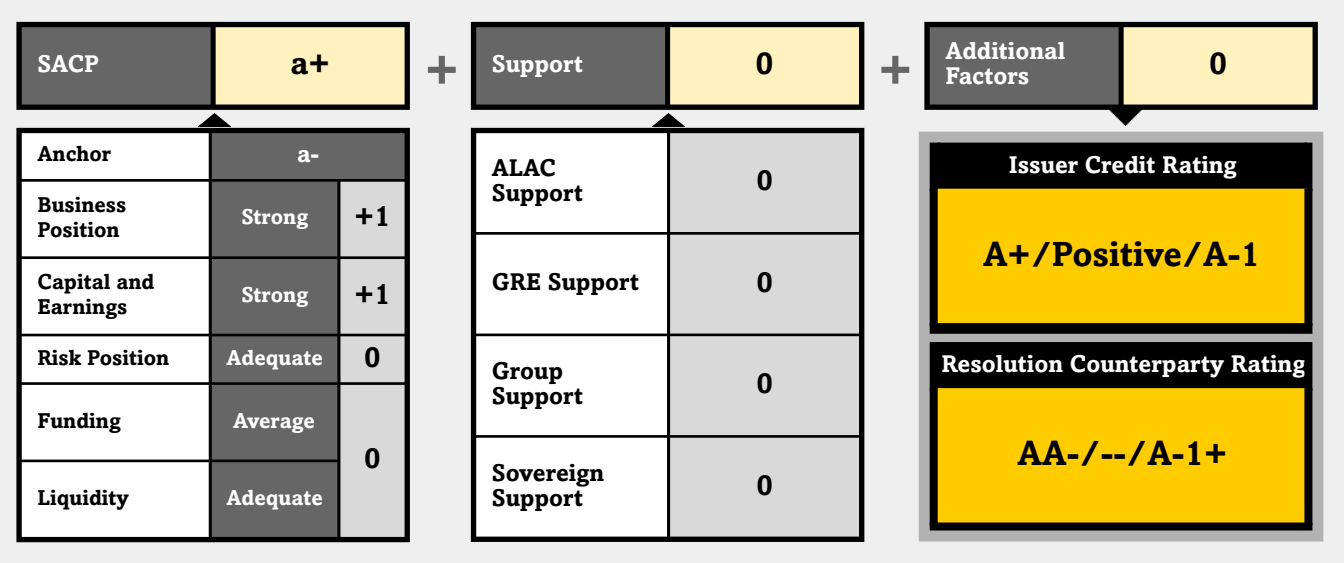


Major Rating Factors

Strengths:	Weaknesses:
• Well-established international private banking business model. • Strong brand name and a stable ownership and management structure. • Sound liquidity position and stable customer deposit base.	• Intense competition and margin pressure in private banking. • Moderate cost efficiency, despite some progress. • Inherent legal and reputational risks due to the private banking model, as well as market risk in the Princely Portfolio.

Outlook: Positive

The positive outlook on LGT Bank reflects our view that the bank's gradual build-up of a bail-in-able capital buffers could lead to an improvement in its creditworthiness over the next 24 months.

We could consider an upgrade if the gradual accumulation of bail-in-able capital and improving capitalization, beyond what we currently reflect in the stand-alone credit profile (SACP; excess total adjusted capital), would result in an additional loss-absorbing capacity (ALAC) buffer of more than 5% of risk-weighted assets (RWAs). This buffer would protect the bank's senior unsecured creditors should the bank become nonviable. We expect to have more clarity on the local framework on minimum requirements for own funds and eligible liabilities (MREL) and the implications on LGT's ALAC buffer by year-end 2020.

An upgrade of the 'a+' SACP and as such, LGT's senior subordinated instruments, is remote over the coming 24 months, given the already very high rating level compared with international peers.

We could revise the outlook to stable if we concluded, that LGT's future ALAC buffer would not be sufficient to provide meaningful protection to senior unsecured creditors, or if market risks from management of the Princely House of Liechtenstein's Princely Portfolio, lower earnings retention, or larger acquisitions hindered the bank's accumulation of stronger capital buffers.

Rationale

Our ratings on LGT Bank are based on the consolidated financials of LGT Group and the favorable economic and industry conditions for the Liechtenstein banking system. The bank is the largest financial institution in Liechtenstein and has a well-established international franchise in private banking, with assets under administration of Swiss franc (CHF) 198.2 billion (€175 billion) as of year-end 2018. Despite the elevated market risk resulting from the co-investment Princely Portfolio product, we now see LGT's risk-adjusted capitalization (RAC) as a strength, supported by improving earnings capacity and capital generation through earnings retention. We view positively that LGT is not materially exposed to credit risk, since lending does not constitute a main activity for the bank and the loan portfolio is principally collateralized. Nevertheless, fair value changes in the Princely Portfolio could lead to volatility in our capital ratio. LGT's funding and liquidity profile is in line with private bank peers', reflecting a strong deposit franchise and liability-driven balance sheet.

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. The anchor for a commercial bank operating only in Liechtenstein is 'a-', based on an economic risk score of '2' and an industry risk score of '3'. We view the economic and industry risk trends in the Liechtenstein banking industry as stable.

When we assess economic risk for private banks, we use the economic risk factor of the country of origin, which in the case of LGT Bank is Liechtenstein.

Economic risk for Liechtenstein's banks remains relatively low in a global comparison. Despite its small size and

concentration, Liechtenstein is a competitive and specialized economy, in our view. It has export-oriented industries holding niche positions worldwide and a specialized financial industry focused on wealth management. Liechtenstein's wealth levels are among the highest of any rated sovereign, and household debt remains average by European standards. Mirroring trends in neighboring countries such as Switzerland and Germany, house prices in Liechtenstein have risen moderately in recent years. At present, however, we see no credit-fueled asset-price bubbles. Furthermore, we expect credit losses in Liechtenstein's retail and corporate banking will remain low in 2019-2020.

In our view, industry risk stems from a business model focused on private banking and wealth management. Although we consider Liechtenstein banks' risk appetite restrained, with a conservative risk culture, we think that the high confidence sensitivity of the business model exposes the financial industry to reputational risk. Nevertheless, we acknowledge that Liechtenstein has rapidly implemented international best practices on tax compliance and information exchange, which has somewhat reduced reputational risks in recent years. In addition, the financial supervisory authority implements banking regulation and supervision in line with EU standards. Owing to the banks' access to ample customer deposits and focus on private banking, we continue to view funding as a neutral factor for Liechtenstein's banking sector.

Table 1

LGT Bank AG--Key Figures

	--Year ended Dec. 31--				
(Mil. CHF)	**2018**	**2017**	**2016**	**2015**	**2014**
Adjusted assets	42,620.2	41,068.8	35,241.0	33,861.8	35,118.6
Customer loans (gross)	19,223.1	20,010.6	12,821.1	11,873.5	10,525.8
Adjusted common equity	2,124.3	1,671.1	1,755.9	1,727.1	1,542.3
Operating revenues	1,679.4	1,529.2	1,206.2	1,150.2	986.3
Noninterest expenses	1,270.8	1,171.5	911.1	878.7	796.8
Core earnings	367.8	328.4	261.6	240.7	165.0

CHF--Swiss franc.

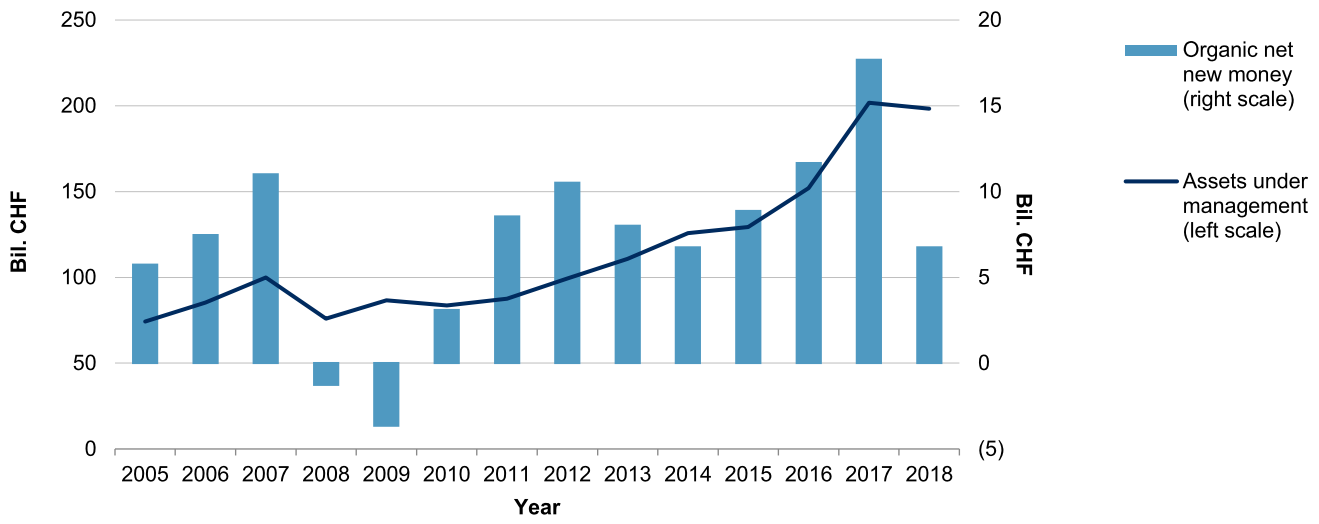
Business position: Well-established international private banking business

LGT's strong business position is based on the bank's standing as the leading financial institution in Liechtenstein, its well-established international franchise, and the resulting above-peer-average operational and financial performance. We also consider the bank's loyal client base. LGT has generated strong net asset inflows over the past decade, despite the push for tax compliance in international private banking.

LGT Group, with total assets of CHF43.4 billion at year-end 2018, derives about 75% of its operating earnings from private banking and about 25% from asset management, a split we envisage the bank will maintain. In our view, LGT continues to show a strong ability to attract new customers across the regions where it operates. The group has continuously increased asset gathering and reported assets under administration of CHF198.2 billion as of year-end 2018, versus CHF107.9 billion at year-end 2013. The strong growth over the past five years included CHF53 billion from organic growth in addition to benefits from acquisitions, among them ABN AMRO's Asian business (CHF17.6 billion assets under management [AUM]) in 2017 and U.K.-based Vestra (CHF8 billion AUM) in 2016. This underpins LGT's strong record of net new money generation and the smooth integration of acquisitions.

Chart 1

LGT Bank Has Shown Strong Organic Net New Money Generation



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

Furthermore, a key feature of LGT's business proposition continues to be the co-investment product known as the Princely Portfolio--a long-term investment strategy of the Princely House of Liechtenstein that includes a high share of alternative investments. We see this product as an important tool in creating customer loyalty and aligning the owner's interests with those of its clients.

We believe that LGT has successfully adapted its business model to changes in the regulatory framework and heightened competition, especially in Europe. That said, it is progressively expanding in markets outside of Europe, including the Americas, Asia, and the Middle East. We anticipate annual net new money generation of about CHF10 billion in 2019-2020, particularly reflecting growth in Asia and the Middle East.

LGT's adaption to a changing environment is supported by its focused strategy, stable private ownership and management structure, and quick decision making processes. At the same time, the private ownership by the Princely House of Liechtenstein via LGT Group Foundation raises questions as to the independence of the supervisory board and management. Ownership decisions on the size of the Princely Portfolio investments on the balance sheet and unexpected capital distributions could affect LGT's creditworthiness, although no material events were observed since the inception of the rating. We expect a continuation of the stable corporate development.

Table 2

LGT Bank AG--Business Position

	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Total revenue from business line (mil. CHF)	1,679.4	1,529.2	1,206.2	1,150.2	1,009.8
Retail banking/total revenues from business line	78.2	76.3	77.4	74.3	70.7

Table 2

LGT Bank AG--Business Position (cont.)

	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Commercial & retail banking/total revenue from business line	78.2	76.3	77.4	74.3	70.7
Asset management/total revenue from business line	24.6	25.3	26.7	26.5	26.7
Other revenues/total revenue from business line	(2.8)	(1.6)	(4.0)	(0.8)	2.6
Return on average common equity	7.6	7.3	6.6	6.3	5.0

CHF--Swiss franc.

Capital and earnings: Strong but potentially volatile risk-adjusted capitalization

We assess LGT Bank's capital and earnings as strong. We base our assessment mainly on our RAC ratio on LGT Group, which was 10.5% as of year-end 2018, up from 8.7% in 2017. We expect the RAC ratio to gradually improve toward 11% over the coming 18-24 months. However, we note the comparably high RAC volatility, reflecting the bank's on-balance-sheet investment in the Princely Portfolio. This consists, to a large extent, of alternative asset classes like private equity and hedge funds and is valued at fair value.

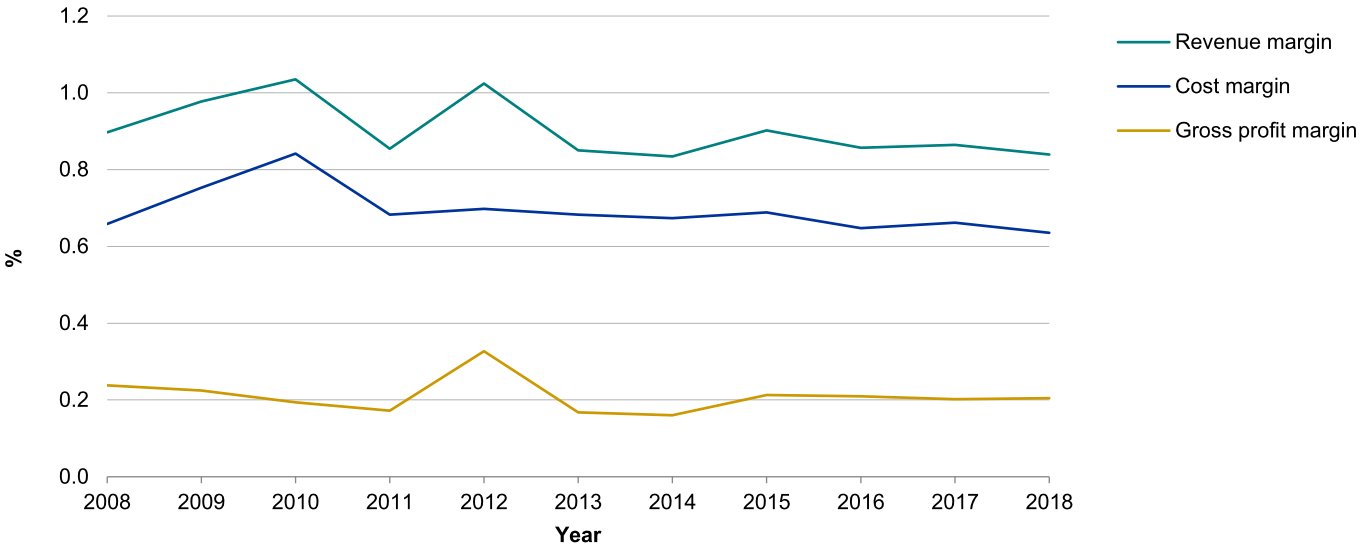
In our calculation of the total adjusted capital (TAC, our measure of loss-absorbing capital) position, we make a material deduction for the CHF1.02 billion of revaluation reserves, largely reflecting unrealized gains on the Princely Portfolio, which we do not treat as capital. However, we fully acknowledge these unrealized gains in our calculation of the bank's RWAs, which materially reduce the risk-weights applied on the investments in the Princely Portfolio. Overall, our lower TAC in the numerator and higher risk-weights for the exposures in the denominator result in a substantial difference between our RAC ratio and the group's regulatory Common Equity Tier 1 ratio of 17.6% as of year-end 2018, calculated under the standardized approach. This compares well with a minimum regulatory total capital ratio of 13%.

We view the group's capital position as strong but its RAC still lags somewhat behind that of many rated European private bank peers. We expect that LGT's RAC ratio will remain sensitive to developments in the size of the Princely Portfolio. A reduction or increase in this portfolio could substantially affect capitalization, as measured by S&P Global Ratings.

In our view, LGT continues to deliver very good financial performance, despite challenging operating conditions due to intense competition in private banking. We anticipate LGT will be able to generate stable earnings in 2019-2021 on the back of its expanding asset management business, continued net asset inflows, and ability to largely maintain a profit margin of about 20 basis points (bps) as of year-end 2018. We expect this will translate into a further gradual improvement of LGT Bank's net income to CHF300 million-CHF350 million and return on equity of 7%-8% over the coming two years.

Chart 2

LGT Bank Is Largely Able To Defend Its Profit Margin



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

Table 3

LGT Bank AG--Capital And Earnings

	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Tier 1 capital ratio	17.6	18.8	20.2	20.1	18.4
S&P Global Ratings' RAC ratio before diversification	10.5	8.7	10.0	8.6	7.1
S&P Global Ratings' RAC ratio after diversification	10.1	8.1	9.4	8.8	7.2
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenue	16.8	14.7	14.1	10.0	9.2
Fee income/operating revenue	64.9	65.7	68.3	68.1	71.2
Market-sensitive income/operating revenue	16.2	17.7	16.3	15.9	18.2
Noninterest expenses/operating revenue	75.7	76.6	75.5	76.4	80.8
Preprovision operating income/average assets	1.0	0.9	0.8	0.8	0.6
Core earnings/average managed assets	0.9	0.8	0.7	0.7	0.5

Table 4

LGT Bank 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 & central banks	9,108,640.5	277,000.5	3.0	240,831.1	2.6

Table 4

LGT Bank AG--Risk Adjusted Capital Framework Data (cont.)					
Of which regional governments and local authorities	1,565,737.7	213,780.5	13.7	166,791.4	10.7
Institutions and CCPs	7,617,354.0	1,959,160.5	25.7	1,519,824.2	20.0
Corporate	6,013,422.7	2,732,250.0	45.4	2,955,774.5	49.2
Retail	16,606,346.2	5,597,640.4	33.7	5,070,233.4	30.5
Of which mortgage	4,516,607.2	1,766,765.4	39.1	1,116,223.5	24.7
Securitization§	1,142,841.0	114,221.9	10.0	228,568.2	20.0
Other assets†	449,088.4	790,265.7	176.0	464,074.7	103.3
Total credit risk	40,937,692.9	11,470,539.0	28.0	10,479,306.0	25.6
Credit valuation adjustment					
Total credit valuation adjustment	--	155,125.1	--	0.0	--
Market Risk					
Equity in the banking book	3,201,229.3	3,505,964.6	109.5	4,265,967.3	133.3
Trading book market risk	--	1,553,612.5	--	2,330,418.8	--
Total market risk	--	5,059,577.1	--	6,596,386.1	--
Operational risk					
Total operational risk	--	2,756,986.9	--	3,177,991.6	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings' RWA**	**% of S&P Global Ratings' RWA**
Diversification adjustments					
RWA before diversification	--	19,442,228.0	--	20,253,683.7	100.0
Total Diversification/ Concentration Adjustments	--	--	--	871,201.1	4.3
RWA after diversification	--	19,442,228.0	--	21,124,884.8	104.3
(CHF 000s)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings' RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		3,422,931.7	17.6	2,124,281.0	10.5
Capital ratio after adjustments‡		3,422,931.7	17.6	2,124,281.0	10.1

*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. Sources: Company data, S&P Global Ratings.

Risk position: Low-credit risk profile with conservative approach to managing operational risks in private banking

We now assess LGT's risk position as adequate. We view the bank's credit risk as very low, since lending does not constitute a main activity, the loan portfolio is principally collateralized, and it demonstrates an outstanding loan-loss record in comparison with private bank peers.

However, the bank remains exposed to potential reputational risks due to its focus on confidence-sensitive private banking and to market risk relating to the Princely Portfolio. Although we acknowledge the generally favorable performance of this investment, we note the high share of alternative assets and potential volatility in a market

downturn. Despite the current high level of unrealized gains, falling valuations would lead to rising risk-weights in our RAC calculation, and could push our capital assessment to a weaker category.

LGT's loan portfolio amounted to CHF19.2 billion as of year-end 2018, consisting primarily of Lombard lending and to a lesser extent of mortgage-backed loans. LGT conducts the Lombard lending as part of its private banking offering, and we expect volumes to increase in line with new customer acquisitions. The bank monitors the portfolio daily in accordance with prudent criteria, and the collateral is high quality. The mortgage loan portfolio of CHF4.7 billion is mainly concentrated in Liechtenstein and Switzerland, and shows very conservative loan-to-value ratios compared with commercial bank peers. We don't expect any changes in LGT's conservative underwriting standards. The bank's cost of risk was only 5 bps on average over the past five years and it continues to compare favorably with that of private bank peers in Liechtenstein and Switzerland.

As a private bank, LGT remains sensitive to operational and reputational risks, including those related to money laundering. With regard to reputational risks, we reflect the risk in our starting point for the rating (the anchor, derived from our BICRA). We make a negative adjustment in our BICRA on Liechtenstein to reflect the threat to this small financial center and its banks (see "Banking Industry Country Risk Assessment: Liechtenstein," published Feb. 18, 2019, on RatingsDirect). We think that LGT's wider presence will require greater management and control resources, but expect it will continue material investments to manage legal, operational, and reputational risks in international operations. We understand that any issues with undeclared assets have been settled and, therefore, we don't expect LGT will face any significant legal or reputational risks in this context.

Overall, we believe that our RAC framework conservatively captures LGT Bank's market and operational risk, as seen in the elevated market risks and operational risks charges, which constitute up to 48% of our total RWAs.

Table 5

LGT Bank AG--Risk Position

	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Growth in customer loans	(3.9)	56.1	8.0	12.8	38.8
Total diversification adjustment/S&P Global Ratings' RWA before diversification	4.3	7.8	6.5	(2.7)	(1.3)
Total managed assets/adjusted common equity (x)	20.5	25.1	20.4	19.8	23.0
New loan loss provisions/average customer loans	0.0	(0.0)	0.1	0.2	0.0
Net charge-offs/average customer loans	(0.0)	(0.1)	(0.0)	0.0	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	0.1	0.1	0.4	0.3	0.2
Loan loss reserves/gross nonperforming assets	150.2	89.8	72.5	71.0	100.3

RWA--Risk-weighted assets.

Funding and liquidity:Funding profile based on customer deposits and ample liquidity

We assess LGT Bank's funding as average and its liquidity as adequate. The balance sheet is largely driven by its deposit base and the use of Lombard loans by clients, with excess deposits invested in money market and fixed income instruments. Wholesale funding is mainly used to manage the bank's liquidity needs over the short-to-medium term and provide a buffer to varying client activity.

LGT Bank's strong deposit base (90% of the funding base) and limited loan activity will, in our view, continue to support favorable stable funding and loan-to-deposit ratios. These stood at 160% and 58% at year-end 2018. The bank's funding profile continues to compare favorably with that of most financial institutions, reflecting its business profile.

Our assessment of the bank's funding and liquidity is neutral to the rating. Given the short maturities of large parts of its assets and liabilities, funding and liquidity metrics dilute some risks inherent to the business model. We see the bank's cautious funding and liquidity approach as a necessity given that private banking deposits are generally more confidence sensitive and potentially more volatile than those of retail banks. We envisage higher volatility in the customer deposits of private banks, since we observe less granularity, volumes often in excess of deposits' insurance limits, and large cash positions within customers' asset allocations.

We consider LGT Bank's liquidity to be nominally stronger compared with many commercial banks, with net broad liquid assets covering 48% of its short-term customer deposits. Nevertheless, we consider liquidity as a neutral factor to the ratings on LGT Bank, in line with that of most other private banks.

Table 6

LGT Bank AG--Funding And Liquidity

	--Year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Core deposits/funding base	89.7	90.1	89.5	89.0	87.9
Customer loans (net)/customer deposits	57.5	61.7	47.2	46.5	40.1
Long-term funding ratio	94.9	95.2	97.5	97.4	96.7
Stable funding ratio	160.3	139.4	149.0	131.3	155.9
Short-term wholesale funding/funding base	5.6	5.3	2.8	2.8	3.6
Broad liquid assets/short-term wholesale funding (x)	8.6	7.2	15.0	11.9	12.4
Net broad liquid assets/short-term customer deposits	47.6	36.5	43.5	34.8	46.8
Short-term wholesale funding/total wholesale funding	54.1	53.1	26.6	25.9	29.9
Narrow liquid assets/3-month wholesale funding (x)	9.9	8.3	13.2	11.0	8.8

External support: No uplift absent details on the MREL framework

We assess that LGT Bank has a high systemic importance in Liechtenstein, owing to its strong brand reputation associated with the Liechtenstein financial center, its leading market position in the country, and its ownership by the princely family of Liechtenstein.

However, since the beginning of 2017, we consider the likelihood of extraordinary government support for banks in Liechtenstein to be uncertain, and we therefore no longer include uplift for such support in our ratings on systemic banks. This is because Liechtenstein (as a member of the European Economic Area) implemented the EU Bank Recovery and Resolution Directive (BRRD) into national law on Jan. 1, 2017. The recovery and resolution act (Sanierungs- und Abwicklungsgesetz) provides the Liechtenstein authorities with bail-in powers over domestic banks and leads us to believe that prospects for extraordinary government support before any burden-sharing by senior unsecured creditors appear uncertain, even for systemically important banks such as LGT.

We do not rule out the possibility that systemically important banks in Liechtenstein might receive extraordinary government support, but we see the predictability of such support as materially reduced.

We also 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. However, as long as bank-specific MREL requirements are not set by the Financial Market Authority (FMA) and communicated, we cannot assess LGT's future buffer of going-concern loss-absorbing instruments that could be reached on a sustainable basis.

Nevertheless, we note that LGT Bank issued its first senior nonpreferred bond in July 2019, which we expect will count toward future MREL requirements and our ALAC buffer. We expect to have more clarity on the local MREL framework and bank-specific MREL, including subordination requirements, toward year-end 2020, at which time we would assess the absolute requirement and ramp-up period to decide on ALAC uplift.

Additional rating factors:None

No other factors affect this rating.

Issue Ratings

We rate LGT Bank's senior nonpreferred notes, which contractually rank below its senior unsecured debt, at 'A', one notch below the bank's SACP, reflecting the subordination risk. This follows our approach when an instrument is contractually or statutorily subordinated to preferred senior unsecured debt. In addition, we believe that the senior nonpreferred notes would be subject to a possible conversion or write-down only in a resolution. Therefore, we have not applied further notching from the SACP because we believe that senior nonpreferred notes do not carry any additional default risk relative to that represented by the SACP assessment.

Resolution Counterparty Ratings (RCR)

We have assigned a Resolution Counterparty Rating (RCR) to LGT Bank since we assess the resolution regime in Liechtenstein to be effective and the bank as likely to be subject to a bail-in led resolution if it reaches nonviability. The RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institution. We position the long-term RCR up to one notch above the long-term issuer credit rating (ICR) when the ICR ranges from 'BBB-' to 'A+'.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Guidance | General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015

- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Liechtenstein-Based LGT Bank AG 'A+/A-1' Ratings Affirmed On Improving Capital Buffers; Outlook Positive, Sept. 4, 2019
- Liechtenstein-Based LGT Bank's First Issuance Of Senior Non-Preferred Notes Rated 'A', June 28, 2019
- Banking Industry Country Risk Assessment: Liechtenstein, Feb. 18, 2019
- Liechtenstein 'AAA/A-1+' Ratings Affirmed; Outlook Stable, Nov. 30, 2018
- Resolution Counterparty Ratings Jurisdiction Assessment For Liechtenstein Completed, June 29, 2018
- 24 European Banking Groups Assigned Resolution Counterparty Ratings, June 29, 2018
- Ask No Secrets: Europe's Private Banks Learn How To Live A New Normal, May 18, 2018
- Rating Actions Taken On Liechtenstein-Based LGT Bank And VP Bank On Stronger Business Positions, May 17, 2018

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	**a-**	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of October 7, 2019)*

LGT Bank AG	
Issuer Credit Rating	A+/Positive/A-1
Resolution Counterparty Rating	AA-/--/A-1+

Ratings Detail (As Of October 7, 2019)*(cont.)	
Senior Subordinated	A
Senior Unsecured	A+
Senior Unsecured	A-1
Issuer Credit Ratings History	
17-May-2018	A+/Positive/A-1
02-Mar-2017	A+/Stable/A-1
09-Dec-2016	A+/Watch Neg/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.

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