MOODY'S
INVESTORS SERVICE

CREDIT OPINION
8 July 2022

Update

Send Your Feedback

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.

Contacts

Bernhard Held, CFA +49.69.70730.973
VP-Sr Credit Officer
bernhard.held@moodys.com

Michael Rohr +49.69.70730.901
Senior Vice President
michael.rohr@moodys.com

Alexander Hendricks, CFA +49.69.70730.779
Associate Managing Director
alexander.hendricks@moodys.com

Carola Schuler +49.69.70730.766
MD-Banking
carola.schuler@moodys.com

» Contacts continued on last page

LGT Bank AG

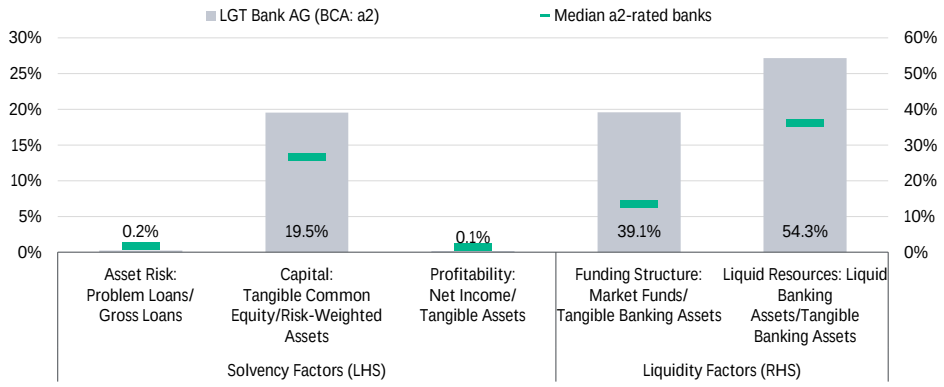
Update following assignment of ESG scores

Summary

LGT Bank AG (LGT Bank)'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 very stable and growing global franchise in wealth management, its strong solvency profile supported by its high capitalisation and the very limited credit risk in LGT Bank's lending book. LGT Bank's a2 BCA also benefits from a defensive funding and liquidity profile that is driven by customer deposits and complemented by a moderate use of market funds. At the same time, its private banking focus exposes LGT Bank to business model-inherent operational, market and litigation risks as regulators and legislators globally have increased their scrutiny and control on fighting global financial misconduct; and cyberattacks are not expected to abate.

Exhibit 1
Rating Scorecard LGT Bank AG - Key financial ratios



Source: Moody's Investors Service

Credit strengths

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

» Ample capital buffers

» 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

» The bank's business model is sensitive to market risks, mainly because it is embedded into LGT Group Ltd.'s (LGT Group) wealth and asset management business

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]

	12-21[2]	12-20[2]	12-19[2]	12-18[2]	12-17[2]	CAGR/Avg.[3]
Total Assets (CHF Billion)	40.5	39.5	38.5	34.6	32.8	5.5[4]
Total Assets (USD Billion)	44.3	44.7	39.8	35.1	33.6	7.2[4]
Tangible Common Equity (CHF Billion)	3.0	3.1	3.2	3.0	2.8	1.9[4]
Tangible Common Equity (USD Billion)	3.3	3.6	3.3	3.0	2.9	3.5[4]
Problem Loans / Gross Loans (%)	0.1	0.3	0.3	0.3	0.2	0.2[5]
Tangible Common Equity / Risk Weighted Assets (%)	19.5	21.6	21.3	20.3	19.3	20.4[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	0.8	1.3	1.6	1.7	1.1	1.3[5]
Net Interest Margin (%)	0.5	0.6	0.7	0.7	0.7	0.6[5]
PPI / Average RWA (%)	0.5	1.0	1.0	0.9	0.9	0.8[6]
Net Income / Tangible Assets (%)	0.1	0.3	0.3	0.3	0.3	0.3[5]
Cost / Income Ratio (%)	90.4	80.9	80.0	80.6	80.6	82.5[5]
Market Funds / Tangible Banking Assets (%)	39.1	40.3	36.3	34.8	34.1	36.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	54.3	53.6	50.7	49.3	43.6	50.3[5]
Gross Loans / Due to Customers (%)	76.3	77.8	82.3	84.1	93.6	82.8[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 (LGT Bank) 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 2021, LGT Group reported consolidated assets of CHF52.9 billion (2020: CHF49.9 billion) and assets under management (AUM) of CHF285.8 billion (2020: CHF240.7 billion), compared with CHF40.5 billion of total assets and CHF113.6 billion of AUM at LGT Bank as of year-end 2021.

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, Lugano and Zurich. Since May 2020, LGT aims to dissolve its Group structure to conduct private banking, asset management and impact investing activities via three independent companies.

In line with LGT Group's global expansion strategy, it successfully completed its acquisition of UBS Europe SE's (Aa3/Aa3 stable, baa1[1]) Austrian private banking business in July 2021, adding around CHF 4.5 billion in client assets and making the bank the largest private bank in the country. Additionally, LGT Group expanded in Asia-Pacific through the acquisition of Australia's wealth manager Crestone, with total client assets of AUD26 billion. Crestone will be integrated into LGT Private Banking, the direct owner of LGT Bank, during 2022. The Group also acquired a minority stake in the German digital asset manager LIQID in 2021 and continues to explore options to also re-establish its presence in the German market.

Detailed credit considerations

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

The a1 Asset Risk score assigned to LGT Bank captures its very limited on-balance-sheet risks, marked by the near absence of problem loans, and moderate business risks. However, we apply a downward adjustment to LGT Bank's initial aa1 score to reflect the bank's susceptibility to reputational and legal (litigation) risks, as applicable to any private bank.

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.

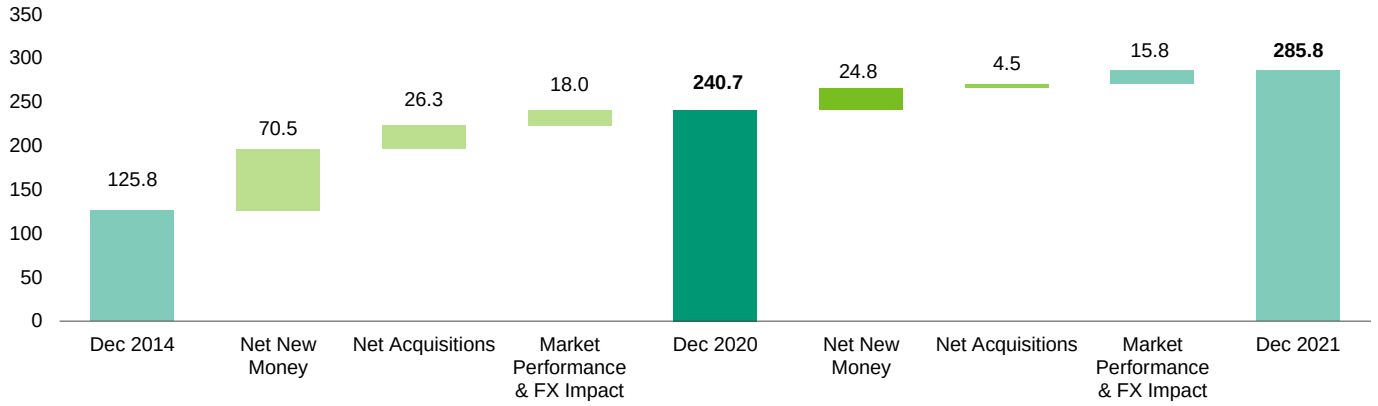
During the last seven years, LGT Group added more than CHF160 billion to its AUM (see Exhibit 3), mainly through net money inflows (which accounted for around 60% of this growth) and acquisitions.

In 2021, LGT Group's invested asset base increased strongly by 19% to CHF285.8 billion, supported by a very strong inflow of net new money (CHF24.8 billion from January to December 2021). The growth was also supported by stronger markets and favorable foreign exchange effects, which resulted in a growth pace above the multi-year trend shown in Exhibit 3.

Exhibit 3

LGT Group's AUM growth is mainly driven by net new money

Development of AUM (including double counting) in CHF billion, 2014-2021



Source: Company reports

LGT Bank's loan book increased to CHF16.2 billion in 2021 (from CHF15.7 billion in December 2020), driven by higher demand for mortgages as well as Lombard loans. As of year-end 2021, LGT Bank's loan book comprised CHF3.2 billion of loans related to residential, office or commercial properties, while the remainder consisted principally of Lombard lending. Mortgage loans were concentrated in Liechtenstein and Switzerland, and reflected 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 at times of peak market volatility.

As of year-end 2021, LGT Bank's continues to maintain a low amount of impaired loans which dropped to CHF23.9 million (December 2020: CHF39.6 million), accounting for a moderate 0.15% 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 as of 31 December 2021 and had not suffered any material loss from transactions or exposures.

Recurring acquisitions are well covered by LGT Bank's ample capital buffer

The aa2 Capital score assigned to LGT Bank is at the same level as the initial score and reflects its strong and high-quality capital, as well as its sound leverage ratio.

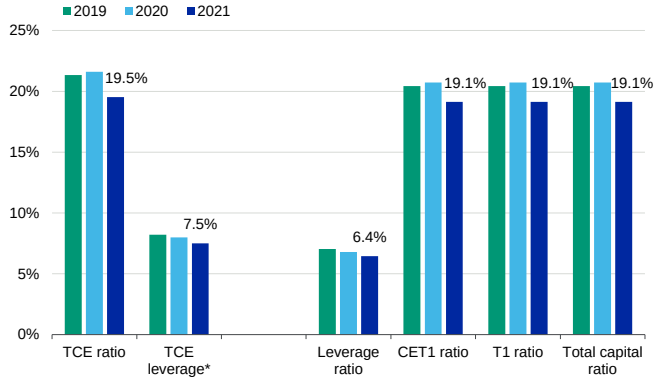
As of year-end 2021, LGT Bank's tangible common equity (TCE) ratio, our key metric for assessing capitalisation, showed a reduction to 19.5% from 21.6% as of year-end 2021 owing to higher RWA of CHF 15.5 billion (CHF14.6 billion as of year-end 2020) that were driven up by credit risk-weighted assets. The December 2021 TCE leverage ratio of 7.5% (December 2020: 8.0%) underscores the high quality of LGT Bank's capital. For the purpose of regulatory reporting, the bank calculates its risk-weighted assets (RWA) using the conservative standardised approach.

As of the end of December 2021, LGT Bank also recorded a reduced Common Equity Tier 1 (CET1) capital ratio of 19.1% (year-end 2020: 20.7%). We expect LGT Bank will broadly maintain its CET1 capital ratio around 20%.

Exhibit 4

LGT Bank's capital ratios, grouped by Moody's versus regulatory view

Data in percentage of RWA, except for leverage ratios

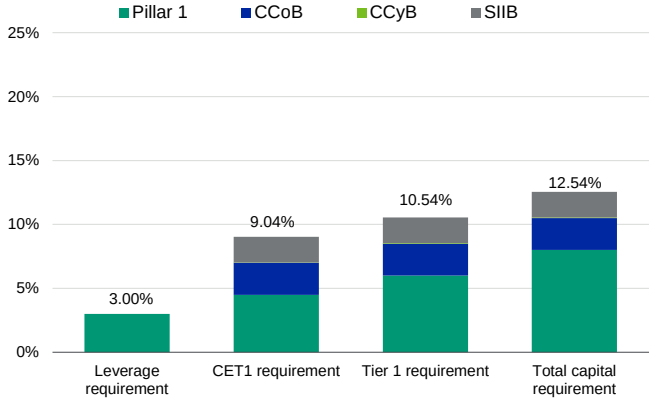


TCE = Tangible common equity (our calculation); CET1 = Common Equity Tier 1 capital.*The TCE leverage ratio compares TCE to tangible banking assets.
Sources: Moody's Investors Service and company reports

Exhibit 5

LGT Bank comfortably exceeds its regulatory minimum requirements

Data in percentage of RWA



*The capital requirement excludes LGT Bank's undisclosed Pillar 2 Requirement (P2R).
Sources: Moody's Investors Service and company reports

As of the end of December 2021, LGT Group's total capital ratio increased to 22.1% from 21.9% as of year-end 2020. The group will maintain total capital ratios significantly above the regulatory minimum requirement of 12.5% (the total capital ratio) even in case of future acquisitive growth. More than one-third of LGT Group's capital is derived from unrealised gains related to the bank's own investment in the Princely Portfolio and, therefore, remains subject to capital market volatility.

Sizeable liquidity is a credit strength

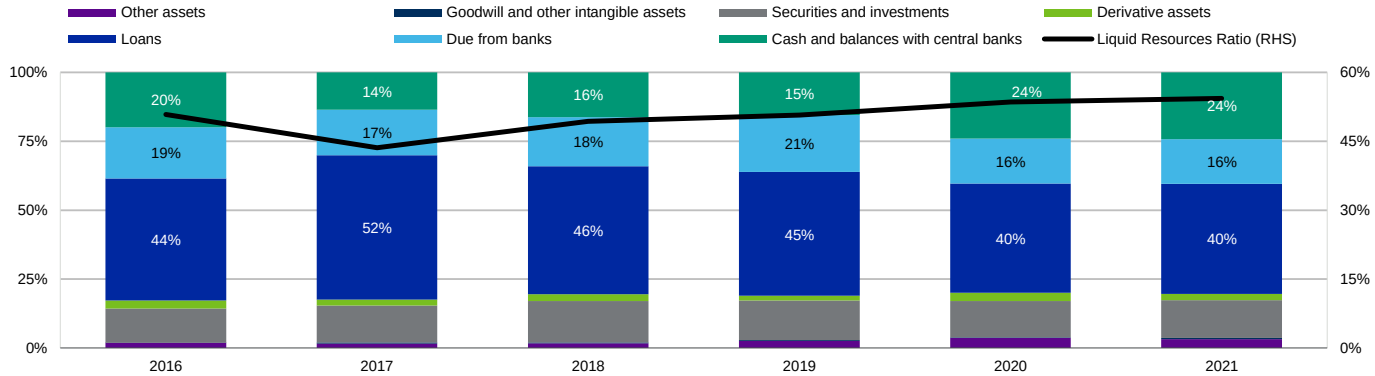
We assign a Liquid Resources score of aa3 to LGT Bank, one notch below the initial score. LGT Bank benefits from significant unencumbered liquidity buffers even after adjusting for intragroup assets that are not freely available to the bank at all times.

In 2021, LGT Bank increased the amount of outstanding net customer loans by more than CHF500 million to CHF16.2 billion. At the same time, LGT Bank's cash position showed an increase to CHF9.8 billion from CHF9.5 billion the year prior following higher interbank activities. LGT Bank's regulatory liquidity coverage ratio (LCR) stood on average at a strong 195% during 2021, based on average high quality liquid assets (HQLA) of CHF14.7 billion, which would be equivalent to 36% of the bank's year-end 2021 total assets.

Exhibit 6

LGT Bank benefits from its strong liquidity

Asset breakdown as a percentage of total assets (LHS) and liquid resources as a percentage of tangible banking assets (RHS)



Source: Moody's Investors Service

Low dependence on market funds reflects the strong influence of client deposits on the balance-sheet structure

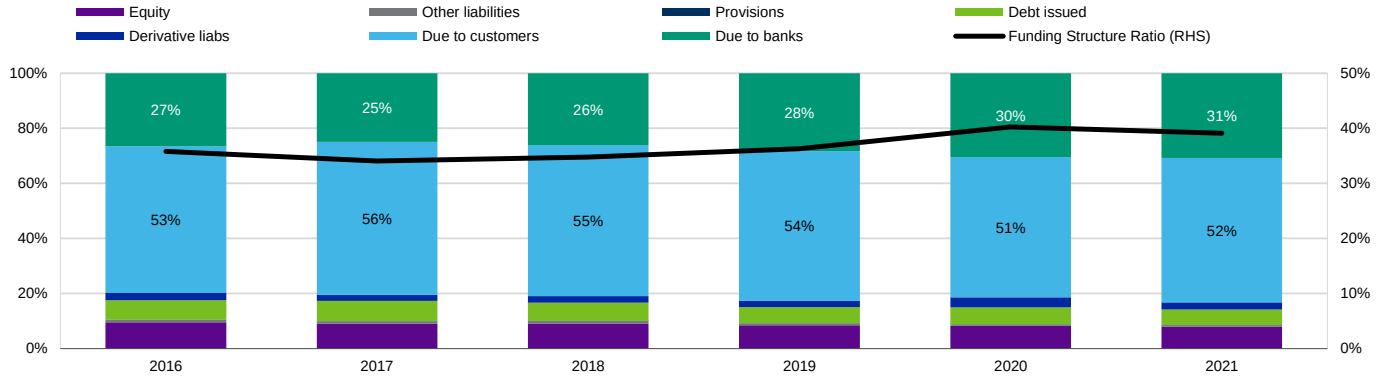
We have positively adjusted LGT Bank's assigned Funding Structure score to a3 from its artificially low ba2 initial score to take account of pass-through intragroup liabilities at bank level, which we do not consider confidence-sensitive market funding. As of year-end 2021, CHF10.8 billion of LGT Bank's CHF12.4 billion liabilities to banks consisted of intragroup funding obtained from LGT Group companies, which we expect to be available independent from external market funding sources and developments.

We expect LGT Bank will remain an active capital market issuer to maintain its good access to a variety of funding channels. The bank's actual reliance on market funding is however relatively low and arises mainly from liabilities to banks and CHF2.3 billion of securitised liabilities as of December 2021, including CHF510 million of junior senior unsecured bond instruments. The bank's balance-sheet size is — to a large extent — driven by its sizeable deposit balances, which do not show large single-investor concentrations and mainly consist of uninvested client funds that investors typically shift between deposit and investment accounts held with LGT Bank.

Exhibit 7

LGT Bank has a low dependence on market funds

Liability breakdown as a percentage of total assets (LHS) and market funds as a percentage of tangible banking assets (RHS)



Source: Moody's Investors Service

Profitability will remain stable as cost savings offset margin pressure

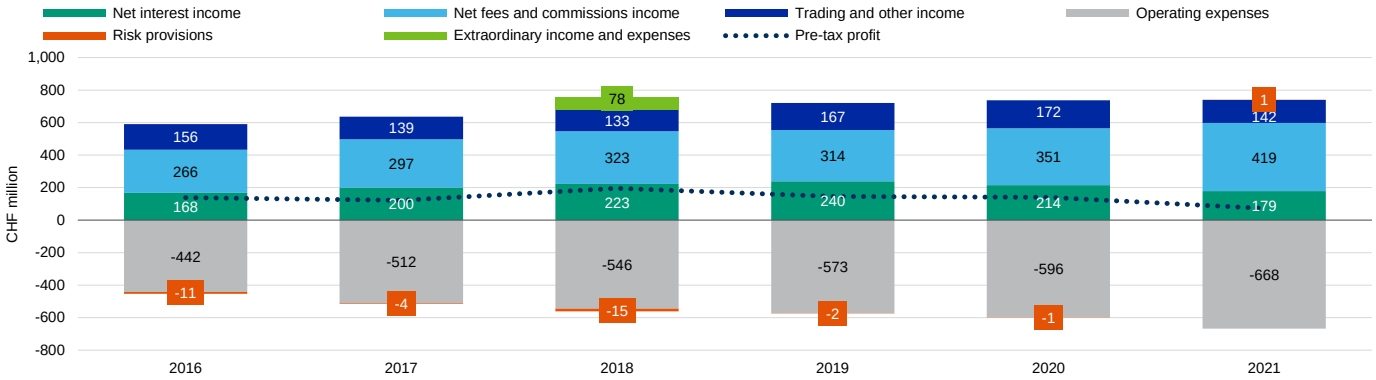
LGT Bank's assigned Profitability score is ba2, two notches above its initial score. We expect LGT Bank will continue to invest in digital solutions that will improve its ability to generate operating leverage.

Our assessment takes account of the bank's high share of variable cost components that it could reduce rather flexibly in case of an unexpected downturn in capital markets that would reduce AUM. This would allow the bank to limit any potential decline in net income in an adverse market environment. LGT Bank has invested strongly in the digitization of its business and we understand it will continue to do so in order to facilitate future topline growth at lower incremental cost.

In 2021, LGT Bank reported a net income of CHF60.2 million (2020: CHF121.7 million), contributing 17.1% to the group's profit. The decline in net income was caused by the bank's lower net interest income of CHF179 million in 2021 (-16.6% year-over-year). However, central banks have already started increasing rates which will result in an improvement in LGT Bank's net interest income going froward. The bank's net commission income increased to CHF419 million (+19.4% year-over-year) owing to increased client transactions and a larger volume of fee-generating AuM following strong net new money inflows and the acquisitions of UBS's private banking business in Austria. Higher accruals for the bank's long-term employee incentive scheme reflected the strong fee income generation as well as a recovery in physical client interaction and related travel expenses drove up 2021 operating expenses, and led to an increase in LGT Bank's cost-to-income ratio to 90% in 2021 from 81% in 2020.

Exhibit 8

LGT Bank's profitability suffered from higher expenses and lower net interest revenue, which we expect to gradually recover



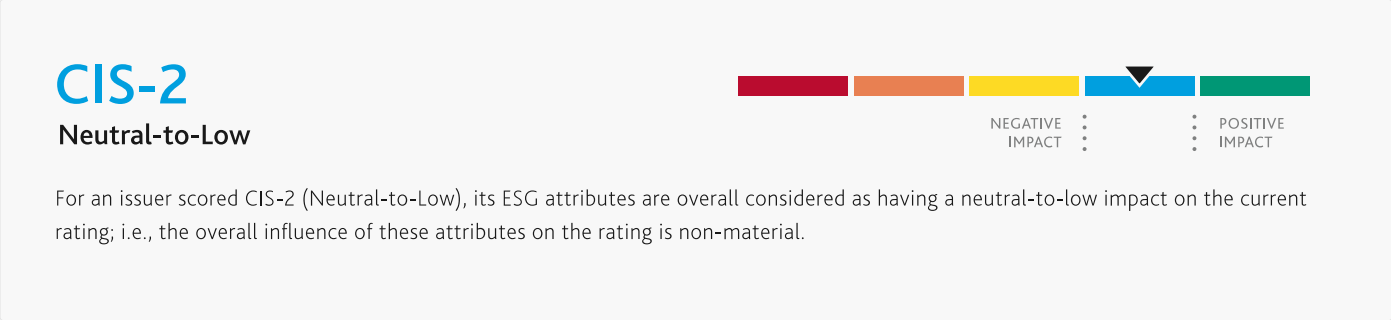
Sources: Company reports and Moody's Investors Service

ESG considerations

LGT BANK AG's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 9

ESG Credit Impact Score



Source: Moody's Investors Service

LGT Bank's ESG Credit Impact Score is neutral-to-low (**CIS-2**), reflecting the limited credit impact of environmental and social factors on the ratings to date, and low governance risks.

Exhibit 10

ESG Issuer Profile Scores

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)	19.5%	aa2	↔	aa2	Risk-weighted capitalisation	Expected trend
Profitability						
Net Income / Tangible Assets	0.1%	b1	↔	ba2	Return on assets	Expected trend
Combined Solvency Score		a1		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	39.1%	ba2	↔	a3	Extent of market funding reliance	Market funding quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	54.3%	aa2	↔	aa3	Asset encumbrance	Stock of liquid assets
Combined Liquidity Score		baa1		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	15,599	38.7%	17,767	44.0%
Deposits	21,261	52.7%	19,092	47.3%
Preferred deposits	15,733	39.0%	14,946	37.1%
Junior deposits	5,528	13.7%	4,146	10.3%
Senior unsecured bank debt	1,759	4.4%	1,759	4.4%
Junior senior unsecured bank debt	510	1.3%	510	1.3%
Equity	1,210	3.0%	1,210	3.0%
Total Tangible Banking Assets	40,339	100.0%	40,339	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	18.9%	18.9%	18.9%	18.9%	3	3	3	3	0	aa2
Counterparty Risk Assessment	18.9%	18.9%	18.9%	18.9%	3	3	3	3	0	aa2 (cr)
Deposits	18.9%	4.3%	18.9%	8.6%	2	3	2	2	0	aa3
Senior unsecured bank debt	18.9%	4.3%	8.6%	4.3%	2	0	1	1	0	a1
Junior senior unsecured bank debt	4.3%	3.0%	4.3%	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

Endnotes

1 The ratings shown are UBS Europe SE's deposit/issuer ratings and outlook and the bank's BCA.

REPORT NUMBER 1329538

Contributors

Bernhard Held, CFA
VP-Sr Credit Officer

Sarah Sorek
Associate Analyst

MOODY'S
INVESTORS SERVICE