Liechtenstein-based LGT bank reported a group profit of over 200 million Swiss francs in the first half on strong net asset inflows during the first six months of the year.

LGT reported a group net profit of 217.2 million Swiss francs ($224.9 million) for the first six months of the year, up 20 percent from the first half of last year, having generated «very solid revenues» during the period, the bank said in a statement on Thursday.

Bucking the Trend

The bank said that its assets under management (AUM) «remained stable» at 284.7 billion Swiss francs, marking a modest decline of 0.4 percent from the 285.8 billion at the end of last year. The result reflects net asset inflows of 6.2 billion, corresponding to 3 percent annualized growth and asset growth of 15.6 billion francs for the acquisition of Crestone Wealth.
Management, according to LGT.

«Following the exceptionally high net asset inflows last year, LGT thus once again achieved robust inflows, to which both LGT Private Banking and LGT Capital Partners contributed,» the bank said.

Of the total AUM, LGT private bank accounted for 203.7 billion and LGT Capital partners for 81.0 billion.

The net asset inflows are in contrast to other wealth managers who have seen outflows in the first half of this year, after many reported record inflows last year. AUM has taken hits at LGTs competitors, buffeted by market conditions and foreign exchange fluctuations.

Well Capitalized

Although LGT’s Tier 1 ratio of 18.4 percent at the end of June was lower than the 22.1 percent at the end of last year, the bank said it remains «very well capitalized». Its cost-income ratio fell to 70.6 percent at the end of the first half from 75.2 at the end of last year.

Looking ahead, LGT said that despite the more challenging environment it is facing, it is well positioned to achieve a profit for the full year.

The acquisition of Crestone enabled LGT Private Banking to expand its position in Asia to the wider Asia-Pacific region. Moreover, following a recent agreement with Vontobel, the latter’s private clients in Hong Kong will receive an offer to transfer to LGT.

British wealth manager LGT Vestra, fully acquired by LGT in 2020, was renamed LGT Wealth Management in the first half of the year, and Crestone will henceforth operate as LGT Crestone.

In Germany's private banking market, LGT intends to establish a presence in two to three locations by the end of next with a view to providing optimal support for clients in the country.