



Press release

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Strategy Roadmap 2020 a boost to the financial centre

After an intense process the member banks of the Liechtenstein Bankers Association (LBA) have agreed on their banking centre strategy for the coming five years, the Roadmap 2020. The strategy paper documents the results of the Roadmap 2015 and analyses the current environment, the market situation and the international developments. This is used as a basis for the derivation of a catalogue of measures due to be implemented by 2020.

Under the project management of the Liechtenstein Bankers Association the member banks have developed a strategy paper that shows measures for the banking centre on the one hand, but also corresponding concerns on the political side in relation to the preservation and improvement of framework conditions. The aim of the Association was, on the one hand, to set out accountability for the implementation of the Roadmap 2015, which was agreed on six years ago. Thus the Roadmap 2020 demonstrates which objectives the Bankers Association and the banking centre as a whole have been able to achieve and where there is still potential for improvement. As part of the project work, the team also carried out an analysis of the environment, the international developments and the competitors in the market, and developed scenarios. As a result of this a catalogue of measures was compiled, which the Association will tackle and implement step by step up until the year 2020, and in addition concerns were formulated to be put to political, government and supervisory bodies for the further development of the framework conditions.

Standing out as a banking centre

With a 24-percent share of GDP, banking remains an important sector for Liechtenstein's prosperity. It contributes around 40 percent of tax revenues and provides 6,000 qualified jobs. The balance sheet total of the banks in Liechtenstein amounts to around twelve times GDP. Thanks to their stable business model, the focus on the core business of private banking and their very high levels of capital, the banks boast great independence. This independence from the state and the avoidance of high risks has given the banking centre enormous stability. At the same time, its reputation has grown again in the last few years. The core theme of the Roadmap 2020 is therefore the further positioning of the banking centre in order to make it stand out. Competition among banking centres has now become a competition among nations, so it's necessary to bundle all our strengths here in order to remain successful in the hard-fought battle for international clientele.

Proven pillars

The Roadmap 2020 is based on the success factors that were established previously in the Roadmap 2015: quality, stability and sustainability. These are founded on the overriding vision that Liechtenstein is perceived as a respected, forward-looking and stable financial centre in the heart of Europe, which is known for its capacity for innovation and its efficiency, as well as its proven competence in private banking. The mission of the banking centre is therefore "to offer complete solutions, bespoke products and premium services to a demanding, internationally oriented clientele".



Fields of activity and their areas of influence

The Roadmap 2020 includes the five fields of activity of promotion, concentration, framework conditions, innovation and integration, which are allocated to the areas of influence entitled Environment, Society and Social Affairs, Governance and Financial Centre. An important topic that will continue to occupy banks in future too is sustainability. The trend towards meaningful investments, particularly among wealthy and institutional clients will gain further ground. There will be ever more frequent consideration of the so-called ESG criteria and the transparency associated with these. Thus a responsible, sustainable approach to a fundamental premise should be further consolidated as an element of the culture in the banking centre of Liechtenstein.

International integration and location appeal

The Liechtenstein banking system is reliant on well functioning international cooperation and integration. The Bankers Association therefore expresses its clear concern on the political side that international networks should be developed further and external relations purposefully strengthened. Part of this is the further establishment of the DBA network, which has been continually expanded over the last few years but remains too little developed in comparison to international banking centres. In addition, discrimination-free market access from Liechtenstein must be secured for the long term. In addition, the Bankers Association believes cooperation and membership of important international committees and organisations is very important for the appeal of the location. Thus, in the Roadmap 2020 the Association recommends a serious review of a closer involvement in or a membership of OECD and FATF. In both cases the aim is to strengthen Liechtenstein's credibility on the one hand, and on the other to ensure the possibility of excluding future discriminations from the outset and likewise to be able to represent the interests of Liechtenstein actively on the committees. One of Liechtenstein's strongest assets, however, is its AAA country rating. The Bankers Association therefore expects that the country's freedom from debt and balanced state budget will be maintained as the primary reason for its AAA rating. Part of this is slimline and efficient structures in national administration, as well as moderate saving. In order to maintain the stability of the country, further measures are possible and should be examined.

Reputation and marketing

The Bankers Association will itself set further measures for the development of the international network and aims to build up a viable network of "ambassadors" abroad. In addition, it is intensifying the dialogue with the most important stakeholders both at home and abroad. Ongoing reputation management is also essential. Thus the availability of facts about Liechtenstein in international databases needs to be improved. Likewise, joint banking centre marketing with a long-term orientation is required.

Supervision and regulation

The authors of the Roadmap 2020 also set out certain factors in the area of supervision, which could help to improve the appeal of the banking centre. This concerns international integration on the one hand, and the country's own supervisory bodies on the other. Integration and equality within the EU are a top priority. At the same time, the close and good relations with Switzerland must also be taken into account.

In relation to the financial market supervisory body (FMA), the Bankers Association believes the existing state contribution is justified, as the body also has to perform government tasks. In order to remain competitive, however, the supervisory fees and levies should be set at competitive levels and applied on a risk basis.



Last but not least, the legislator still has a role to play when it comes to opportunities arising from regulation. Thus the area of funds should be strengthened by the rapid implementation of the so-called ELTIF (EU regulation on European long-term investment funds). In addition, the EU capital market union offers opportunities for the banking centre and the possibility of driving forward innovations: the rapid creation of the legal basis for securitisation is therefore likewise one of the Association's demands on the political side.

Fostering innovation

The increasing digitalisation in the field of finance is fundamentally changing client expectations with regard to communication and the use of various service channels (omnichannelling) to the bank. The demand for "anytime, anywhere, anyhow" concepts will have a significant impact on the banking business in the future. At the same time, new, innovative providers are penetrating fields of conventional banking services. From the perspective of the financial centre strategy, it will therefore be vital for the Liechtenstein banks to have circumstances comparable to those of these new providers and, where appropriate, to cooperate with these and be able to continue to benefit from the connection to the Swiss payment and securities infrastructure (keyword: Paymit). Other central issues include an operable connection under the Currency Treaty, the establishment of optimum framework conditions for the implementation of digitalisation strategies and the way in which new market players (FinTechs) are integrated and supervised. Problems and a clear positioning on the subject of data protection and data security should be taken into account in the process as well. New opportunities will also arise through big data. The challenge will be to streamline the complex data world in which we are now living, to reduce the complexity and thus to create trust and identification.

Attractive place to work

Demographic development is also a concern for the banking centre of Liechtenstein. It will be crucial for the Liechtenstein banks to train and provide ongoing further training for their own rising employees and to be able to recruit enough qualified staff. The aim of the Roadmap 2020 is to position Liechtenstein as an attractive place of work in the area of international banking and to position the banks as attractive employers. The measures also include a centre-wide minimum training standard, employee certifications and training platforms. Similarly, the Bankers Association is working towards better consolidation of family and professional life; with the development of its own day care centre "Villa Wirbelwind" for the entire banking centre, the Association has already sent out a clear signal in this regard. Also in this area, the Roadmap includes political demands: On the one hand the loosening of the immigration and settlement policy in Liechtenstein would contribute to the positioning of the banking centre as an excellent place to work - a demand that is nothing new. On the other hand it is a matter for politicians to not increase ancillary wage costs any further.

Bundling strengths within the country

The banks, particularly the smaller ones, will come under further pressure as a result of the ongoing regulation and the increasing compliance costs and persistently low margins associated with these. The LBA will therefore assume an even greater coordinating role among the banks in order to be able to make better use of synergy effects and, furthermore, to offer additional platform services. The Association believes the vertical cooperation and dialogue between the relevant interest bodies at the banking centre are crucial. The LBA aims to contribute to the exploitation of synergy potential across the entire banking centre by acting as a catalyst.



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Next steps

The LBA will set in motion the Roadmap 2020 and its measures over the coming weeks. An initial high point in relation to this will be the **Banking Congress** that will take place on **21 September 2016 from 4.30 p.m.** In the Association's view, the concerns in relation to improvement of the framework conditions should be hastily implemented in particular. The Association's own measures are already in motion and will be strengthened over the coming months. The aim is to develop the position of the banking centre as a professional, stable and sustainable partner in the heart of Europe over the long term and to anchor it firmly.

About the Liechtenstein Bankers Association

Established in 1969, the Liechtenstein Bankers Association is the domestic and international voice of the banks operating in and out of Liechtenstein. It is one of the country's most significant associations and plays a key role in the successful development of the financial centre. Member interests are pursued in accordance with the principles of sustainability and credibility. As a member of the European Banking Federation (EBF), the European Payments Council (EPC) and the European Parliamentary Financial Services Forum (EPFSF), the Liechtenstein Bankers Association is a member of key committees at the European level and plays an active role in the European legislation process.

More information:

Simon Tribelhorn, CEO
Liechtenstein Bankers Association
Austrasse 46
FL-9490 Vaduz

Tel: +423 230 13 23
Fax: +423 230 13 24
info@bankenverband.li
www.bankenverband.li