



Press Release

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LBA Annual Report gets a new look

In 2015 the Liechtenstein banks achieved a position of strength, according to the recently-published banking association's report. In it, the association relates its strategy, the course of its business and its vision for the future of the banking centre. This is the first time the report has appeared in a new look with countless new infographics, which make it a useful source of information about Liechtenstein as a banking centre.

"As the financial year 2015 came to a close, the banks in Liechtenstein had reached a position of strength from which they were able to set new targets and can generate long-term growth", writes the president of the association, Adolf E. Real, in his foreword. The banks pursued clear, consistent strategies, he says, and are now reaping the rewards. This also applies to the financial centre as a whole, he continues: "Admittedly it has mainly been through small steps that the actors have trodden the path towards transformation, but the progress has been lasting and thus also very valuable for Liechtenstein. The transformation is well under way. The banks have defined their business models in a tax-compatible environment and have justified the trust placed in them."

Actively setting the agenda

The year 2015 was marked particularly by the international developments as well as the regulatory agenda at an EU and global level. The progression of fiscal cooperation is once again a focus here. This is reason enough for banks to set their own targets with the Roadmap 2020 and thus to actively set the agenda. The banks will thereby be making an important contribution towards the further development of the financial centre as a whole. The Roadmap focuses on the proven factors of quality, stability and sustainability in this connection.

A broad range of tasks for the association

Last year as well, the spectrum of tasks the LBA faced was extremely broad and ranged from monitoring planned regulation and supporting its member banks with its practical implementation to numerous information and training events, as well as intense efforts in the area of PR and networking. Nevertheless, the lean yet strong LBA team was in a position to get a lot done.



In 2015 alone, as the annual report reveals, the association took part in 35 consultation procedures for legislation, bringing its expertise to the table. In 130 personal meetings in Vienna, Berlin, Brussels and Berne with special-interest representatives, opinion leaders, politicians and the media, the association's delegates represented the interests of banks and were able to present the facts about the development of the banking centre. The association also organised more than a dozen information and training events.

International network reinforced

The Liechtenstein banks support international customers in over 20 locations worldwide. For these optimum framework conditions to prevail, the LBA has built up an international network as a central service provider for its 14 member institutes and seven passive members. It is a member of three European committees, among them the European Payment Council, the European Parliamentary Financial Services Forum and the European Banking Federation (EBF), and is also the sponsor of four Liechtenstein institutions, including the LIFE Climate Foundation Liechtenstein, "Villa Wirbelwind" nurseries and the Deposit Guarantee and Investor Protection Foundation of the Liechtenstein Bankers Association (EAS). Given its interface function, it is represented on more than 20 other domestic and international committees. The LBA thus symbolises the diversity of Liechtenstein as a banking and financial centre and makes a huge contribution towards active networking. "The newly designed annual report should reflect the LBA as an organisation: modern, solid and to the point", says Simon Tribelhorn, LBA CEO, commenting on the new annual report.

Good results despite a challenging environment

Alongside the difficult global economic conditions, volatile currencies and drops in the market price of oil and other raw materials, the year under review for the Liechtenstein banks was marked by the decision of the Swiss National Bank (SNB) to lift the minimum exchange rate with the euro. This decision had notable consequences for the Liechtenstein banks in several regards. Deposited values measured in CHF had to be valued lower, which had a negative effect on the commission and service yields. The cause for the fall in customer assets maintained, which amounted to 5.2 %, can be found here as well, but the currency effect also impacted on the assets on the balance sheet held in foreign currencies. With the simultaneous introduction of negative interest rates amounting to -0.75 % on SNB current account credit, the yield potential of the banks again came under substantial pressure. Despite these challenges in a historically low interest environment and gluts of cheap money, it was possible to maintain interest income at around CHF 305 million (-1.0 %). The gross profit actually rose by 1.4 % to CHF 366 million, and the returns from normal business activities improved to CHF 223 million (+1.7 %), showing that the strategic measures for improving profitability are taking effect.



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Alfred W. Moeckli, Vice President of the LBA until March 2016, comments on the demanding year that 2015 proved to be and the challenges it involved in a statement. "The fact that the Liechtenstein banks were nevertheless able to present good results shows how professionally they were able to deal with this challenging situation", says Moeckli. Norbert Biedermann, CEO of LGT Bank and Vice President from March 2016 takes a positive view of the future in spite of the continually challenging economic and political situation. "A strong Swiss franc, negative interest rates, volatile financial markets and the continuing flood of regulation will continue to put pressure on banks. Nonetheless, we have confidence in our banks and believe that the stable foundation, the focused business model and the strategies clearly oriented towards the future will result in further operational progress in 2016 as well, and that we will thus be able to achieve solid results", Biedermann stresses.

The annual report is available for download as a PDF online at www.bankenverband.li and can be found in the LBA app as well as in the Apple and Google Play stores.

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.

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