



LIECHTENSTEINISCHER
BANKENVERBAND

Roadmap 2025

Growth through sustainability
and innovation



Dear Reader



We are pleased to be able to present our new strategy, “Roadmap 2025”. “Roadmap 2025” is a continuation of the two previous multi-year strategies of the Liechtenstein banks. The first “Roadmap 2015” focused on modernisation. In it, Liechtenstein and its banks committed to rigorous compliance with international standards and a corresponding zero-tolerance policy. The subsequent “Roadmap 2020” built on this – it primarily dealt with strategic repositioning. In the area of sustainability, we were able to advance numerous measures and consolidate our market position. Our current “Roadmap 2025” has a new emphasis: growth.

Our discerning clients expect more than simply high-quality services. They want financial institutions to contribute to solving the environmental and social challenges of our time. We share this concern and see ourselves as part of the solution. The banks in Liechtenstein have therefore set themselves the goal of participating with even more determination in the necessary transformation of the global economy towards comprehensive sustainability.

A common, strong basis of values is a fundamental prerequisite. In this demanding and very dynamic environment, agility – our newly defined success factor – is very important: the ability to recognise trends early on and to act quickly and decisively is becoming crucial. In doing so, we must take the opportunities and risks of increasing digitalisation into account in a meaningful way. To meet this demand, we have also reviewed and adapted the structure and activities of the Bankers Association.

I hope you enjoy reading our “Roadmap 2025”.

A handwritten signature in blue ink that reads "H.-W. Gassner". The signature is fluid and cursive.

Dr. Hans-Werner Gassner
Chairman

Background and significance

The financial centre is the second most important sector in Liechtenstein and a central pillar of the Liechtenstein economy. The banks are the most important industry in the financial centre – primarily thanks to a clear, sustainable strategy and unique location factors.

With its streamlined and citizen-focused government and administration, Liechtenstein offers a stable legal and social system and a liberal economic order. Its sound financial policy and short administrative channels are the result of political continuity and stability. Liechtenstein has a strongly diversified economy and is highly export-oriented. Manufacturing is the most important economic sector in the country, accounting for over 40% of GDP. At about 24%, the financial centre is the second most important sector and will continue to be a central pillar of the Liechtenstein economy. It has an international focus, contributes about 40% to tax revenues, and offers almost 6,000 highly qualified jobs. Banks are the most important industry in the financial centre.

Unique location factors

Thanks to its customs and monetary union with Switzerland and its EEA membership, Liechtenstein is well connected within Europe. Its unrestricted market access to these two

economic areas with nearly 500 million people and potential clients is of great value. Liechtenstein is one of the few countries in the world to have a AAA rating from Standard & Poor's. Combined, these are unique location factors.

Digitalisation and climate change as challenges

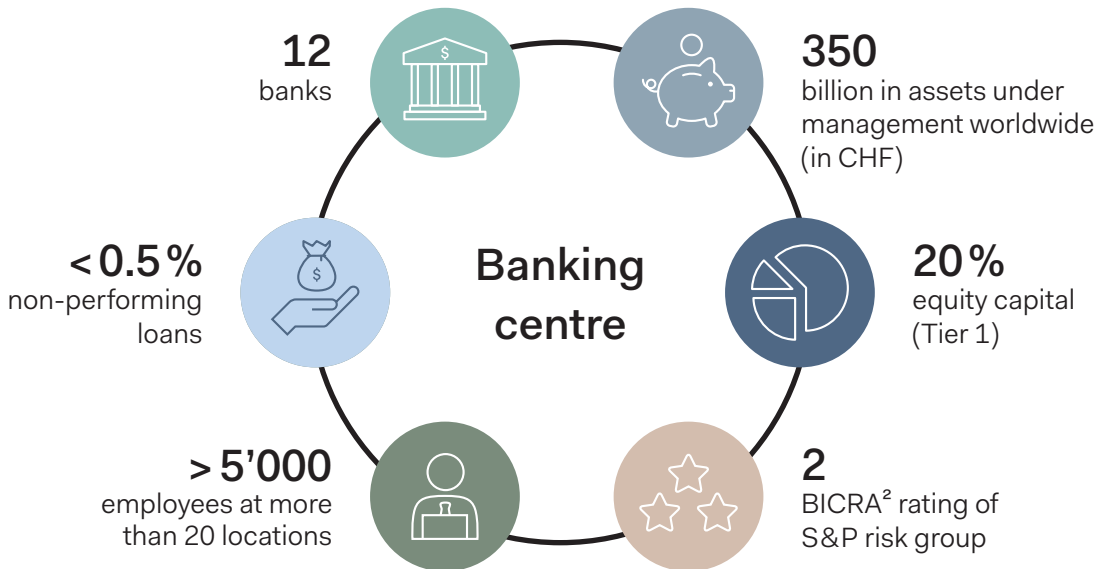
Notwithstanding all its strengths, the banking centre also faces numerous global challenges that will have a significant impact on the economic development of our sector in the coming years. Increasing digitalisation is leading to a transformation of the value chain, changing customer needs, high competitive pressure from the non-banking sector, and competition for the interface with customers. Accelerating climate change is challenging banks and their business models as well.

At the level of the world economy, the potentially negative impact of increasing global over-indebtedness and the risk of intensifying trade disputes are concerns in the medium

and long term. The increasingly rule-based regulation geared towards major banks is becoming more and more demanding – especially for our small banking sector, which focuses on individualised solutions. This list of challenges is of course not exhaustive.

This “Roadmap 2025” provides answers to the numerous challenges. It shows how the banking centre aims to position itself and which fields of action it wants to actively shape in order to create the necessary growth.

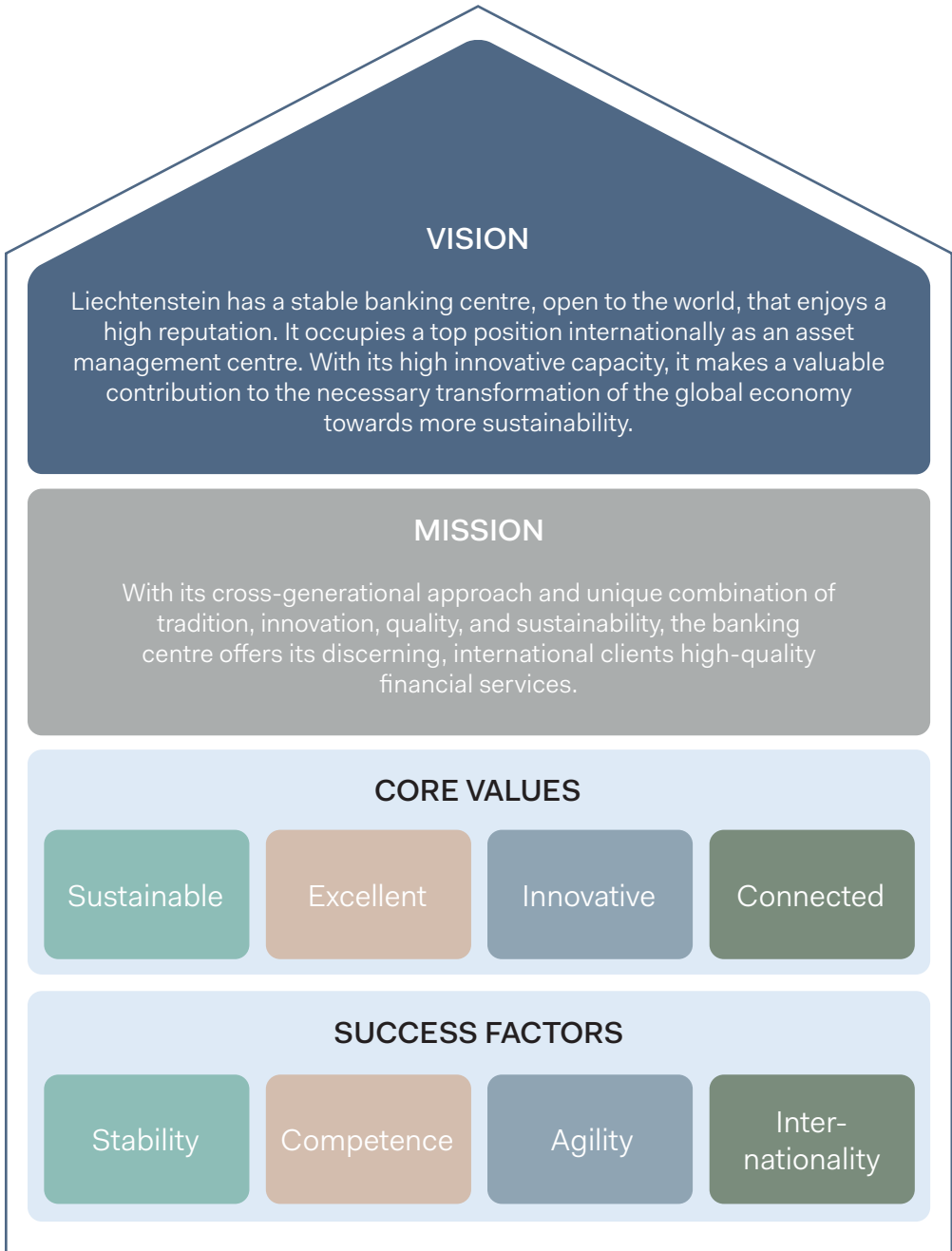
The Liechtenstein banking centre in figures¹



¹ Figures as of 31 December 2020

² Banking Industry Country Risk Assessment

Strategic house



Core values



Sustainable

We take our responsibility towards people and the environment seriously. In doing so, we define sustainability comprehensively and are guided by the 17 Sustainable Development Goals (SDGs) of the United Nations. This approach is supported by the entire country.



Excellent

We place high demands on the quality of our services and products. We invest in our employees and continuously review business models in light of evolving opportunities.



Innovative

We look ahead, are open to new ideas, and create the necessary structures not only to enable innovation, but also to promote it. We focus on the benefits for our clients, employees, the environment, and society.



Connected

We strive for the best possible international networks and, through our Bankers Association, cultivate professional relationships with all relevant stakeholder groups, with a focus on credibility and the long term. We are convinced that only in that way can our globally oriented banking centre contribute to Liechtenstein's prosperity.

Success factors

We want to further develop our success factors so that the Liechtenstein banking centre can continue to grow. For each of these success factors, we have defined specific fields of action that will be the focus of our efforts in the coming years.

Stability

Political concerns

- Maintain S&P AAA rating
- Promote the best possible regulatory and tax framework
- Consistently continue to pursue our commitment to compliant business practices (compliance with standards/zero tolerance)
- Actively and even more rigorously pursue sustainability and implementation of the UN Sustainable Development Goals (SDGs) as a strategic objective of the financial centre together with the rest of the private sector and society

LBA/bank measures

- Expand cybersecurity and business continuity
- Further strengthen existing sense of responsibility and continue our commitment to sustainability

Competence

Political concerns

- Improve attractiveness of the location for international specialists and professionals
- Promote key competences for the future working world at an early stage

LBA/bank measures

- Promote young talents
- Advance voluntary standards in sustainable finance
- Promote competences for changing business models and business model innovations and strengthen transfer of expertise, especially in innovative technologies, digitalisation, and sustainability

Agility

Political concerns

- Strengthen risk-based and proportional regulation and supervision
- Favour efficient licensing procedures by the public authorities
- Maintain modern, business-oriented legal system
- Further develop fintech location to strengthen the banking value chain and promote innovation
- Further optimise existing institutionalised dialogue between public authorities and the banking sector and encourage early involvement

LBA/bank measures

- Further develop existing early identification of opportunities and risks (Issue management)
- Promote flexible working models (incl. working from home)
- Seek cooperation with fintechs and regtechs nationally and internationally
- Further advance deeper cooperation among the associations

Internationality

Political concerns

- Maintain unhindered EU market access
- Continue efforts to reduce existing economic discrimination /trade barriers and further expand DTA network
- Promote establishment of international organisations and financial undertakings in Liechtenstein
- Create the best possible legal framework for cross-border commuters
- Further strengthen foreign relations /foreign policy and expand involvement in relevant international organisations
- Continue cultivation of relations with Switzerland at all levels
- Expand transport infrastructure sustainably

LBA/bank measures

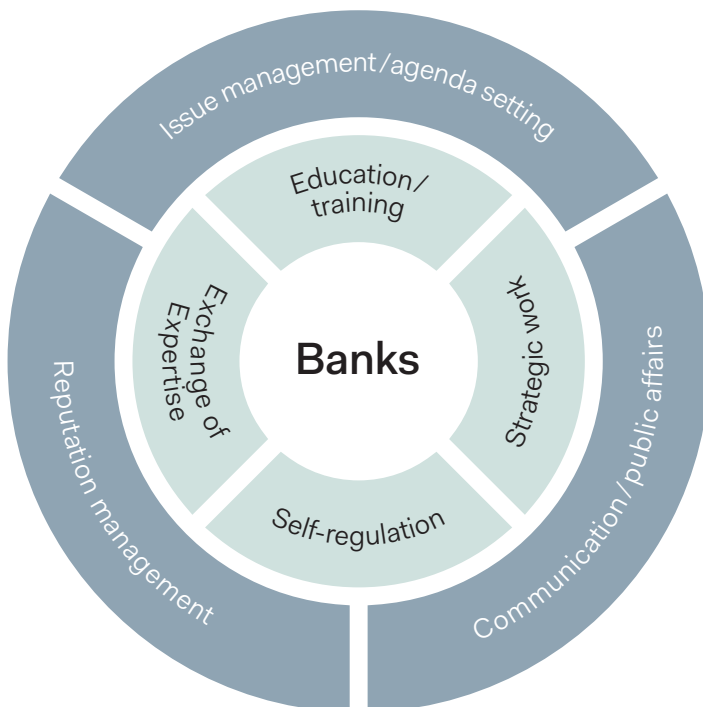
- Promote multicultural and inclusive culture
- Continue established and proven EEA alliance partnership
- Further increase visibility and reputation through targeted communication measures
- Expand international connections with key financial centres, organisations, and opinion leaders

Self-conception

“Together, we make our financial centre fit for the future as a successful international player.”

This new self-conception stands for a modern, future-oriented Bankers Association. For a successful implementation of our “Roadmap 2025”, a strong and competent representation of interests is needed more than ever, helping to shape the necessary changes even more proactively and bundling the forces in the banking centre. The Liechtenstein Bankers Association (LBA) is this voice, representing the shared interests at the national, European, and international levels.

For this targeted, effective representation of interests, we have reprioritised our seven core services internally and externally:



Performance promise



Cooperative

We support our members in fulfilling their objectives, and we coordinate and promote cooperation. We practice a culture of participation and cultivate respectful interaction within the association and with our stakeholders.



Competent

We are the first point of contact on matters concerning the Liechtenstein banking centre. We keep our promises. We not only provide facts, but also inform ourselves about the expectations and needs of all stakeholders. Transparency, openness, party-political neutrality, and a high level of competence are our guiding principles.



Communicative

We engage in intensive dialogue with the relevant national, European, and international stakeholders and are always a reliable and professional partner distinguished by integrity. We help shape opinions among policymakers, public authorities, and the general public. At the same time, we network in a wide variety of international industry organisations and maintain relationships with important decision-makers.



Agile

We actively continue to develop our banking centre. We recognise future challenges at an early stage, develop answers and solutions, and support our members in a targeted manner in shaping the future.



Proactive

We exercise responsibility and leadership in our key issues, such as sustainability. We do this as a pacesetter and not merely as a follower.

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