

## **P R E S S   R E L E A S E**

Date                                      Thursday, 4 June 2009  
Pages                                      2

---

### **The Liechtenstein financial center is stable**

**Vaduz, 4 June 2009 – Despite the financial market crisis and other events such as the data theft or the tax controversy, the Liechtenstein financial center enjoys a high degree of stability. Liechtenstein financial intermediaries have not been immune to the difficult environment on the international financial markets, however. Accordingly, decreases in assets under management and weaker returns have been reported. In this difficult environment, the FMA Liechtenstein has fulfilled its legislative mandate and contributed to the stability of the financial center.**

The Liechtenstein financial center experienced dramatic events in the year 2008: The theft of client data from a trust company, the criminal proceedings against the blackmailer of major Liechtenstein bank, the investigation of the US Senate Permanent Subcommittee on Investments (PSI) against a Liechtenstein bank, complex supervision cases with a global scope, and the worldwide financial crisis were a particular challenge for financial intermediaries and the FMA Liechtenstein. While the financial crisis caused financial stress among numerous formerly renowned financial institutions in many countries within a very short period of time and the financial system itself began to falter, one thing became clear: The Liechtenstein financial center is stable. The Liechtenstein financial institutions continue to distinguish themselves with a solid tier 1 ratio and liquidity.

Liechtenstein financial intermediaries were not immune to the negative developments on the international financial markets. The result of the banks' normal business activity declined by 60% since the record year of 2007 to CHF 336.8 million. Assets managed by the banks at the end of 2008 were CHF 156.65 billion, which represents a decrease of 22% and is primarily due to the losses on the international financial markets. The net assets managed by domestic investment undertakings declined by 13% to CHF 26.43 billion. Asset management companies were characterized by a consolidation trend. Among insurance undertakings, premium income was CHF 5.99 billion, which represents a decrease of about 13% since 2007. The balance sheet total declined by about 8% to CHF 21.6 billion since 2007.

The FMA Liechtenstein fulfilled its legislative mandate in this very challenging environment, contributing to the stability of the financial center and helping secure the protection of creditors. Due to the upheavals on the financial markets, the FMA intensified its supervisory activities and – because of the data theft – reviewed the data security of financial intermediaries in particular. In 2008, the FMA also cultivated and expanded international relations with supervisory authorities. Once again in the current year, the FMA Liechtenstein faces many challenges due to the international efforts to adjust and harmonize financial market regulation. The pressure to adopt supranational law and international standards is growing. Professional action by the supervisory authority at the international level is increasingly becoming a reputation-critical factor for the financial center.

Parliament recently discussed and criticized the increased financial expenditures for financial market supervision. The FMA Liechtenstein takes this discussion seriously. It draws attention to the fact that the demands on supervisory authorities of internationally oriented financial

centers have increased. Irrespective of the size of a financial center, the supervisory authority requires an adequate size and sufficient resources to do justice to the demands on professional supervision in the international context. The FMA Liechtenstein notes that the Government and Parliament have expressly committed themselves to an independent and strong Financial Market Authority.

The FMA (Financial Market Authority Liechtenstein) is an independent establishment under public law. Within the framework of its legislative mandate, the FMA ensures the stability of the Liechtenstein financial market, the protection of clients, the prevention of abuse, and the implementation of and compliance with international standards.

2,214 financial intermediaries domiciled in Liechtenstein operate within the country (as of the end of 2008). The financial services sector accounts for only 16% of employees but generates 29% of gross domestic product (GDP). In the industrial and manufacturing sector, 43.5% of employees generate 39% of GDP.

For additional information, please contact:

Beat Krieger  
Head of Communications, FMA Liechtenstein  
Tel. +423 236 71 24  
Tel. +41 79 488 11 95  
[beat.krieger@fma-li.li](mailto:beat.krieger@fma-li.li)  
[www.fma-li.li](http://www.fma-li.li)