Key financial figures and regulation

Basel III reform package

The Basel III reform package of the Basel Committee on Banking Supervision (BCBS) came into effect in the European Economic Area (EEA) on 1 January 2014.

The Basel III reform package issued by the BCBS defines requirements for financial institutions on the one hand and standards for their supervisory bodies on the other. Basel III also sets forth the introduction of a global liquidity standard and stricter equity capital requirements in comparison to previous reform packages. The reforms are aimed at improving the regulation, supervision and risk management of banks in order to strengthen the resilience of individual banks and that of the overall banking system.

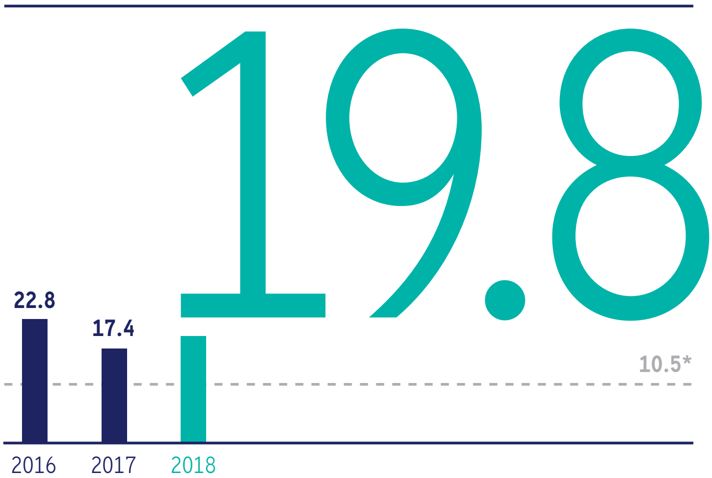
European legal framework

As an EEA member, Liechtenstein is subject to the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD IV), which form the European legal framework for banks and financial service providers.

International involvement of Liechtenstein Financial Market Authority

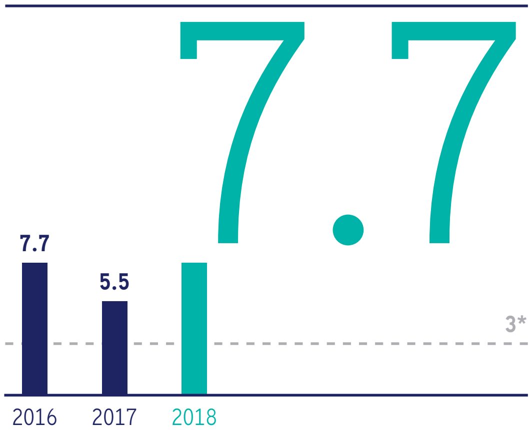
The Liechtenstein Financial Market Authority (FMA) has been an ordinary member of the International Organization of Securities Commissions (IOSCO) since April 2011 and has had observer status with the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) since May 2011.

Common Equity Tier 1 Ratio
in %



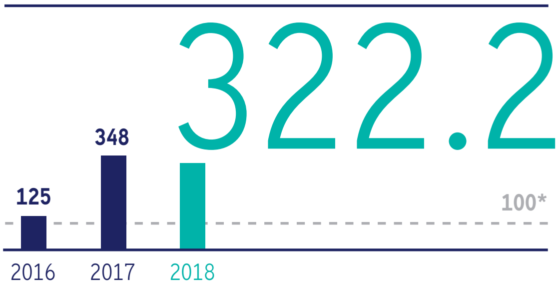
The CET1 ratio shows the proportion of common equity against risk-weighted assets (credit risk, operational risk, market risk, etc.). Risk-weighted assets are calculated using standard procedures stipulated by the regulator. Common equity consists of the following: subscribed capital, capital reserves, provisions for general banking risks, profit reserves and retained earnings. A high ratio indicates a strong resistance to losses, which reduces the risk arising from the bank's business operations.

Leverage Ratio
in %



The leverage ratio shows the proportion of equity against the total of the non-risk-weighted balance sheet total and total off-balance-sheet items (risk positions). The purpose of the leverage ratio is to measure the capital position regardless of the risk weighting of assets. Fixing the leverage ratio normally means that banks can lend up to 33 times their capital. The leverage ratio sets a cap on total bank risk regardless of the higher capital standards.

Liquidity Coverage Ratio
in %



The LCR shows the proportion of high-quality liquid assets (HQLAs), such as cash on hand, credit balances with the SNB and governments bonds against potential net outflows in a 30-day stress scenario.

*regulatory requirement