

2 Banking in Liechtenstein

This section presents the peculiarities of banking in Liechtenstein. It will also present a more detailed discussion of one of the major players in this branch of industry, the Liechtensteinische Landesbank AG. The dataset, used in this thesis, was contributed by this bank. However, we will open this section with a few remarks on the country in question itself.

2.1 The Principality of Liechtenstein

2019 will see the 300th anniversary of sovereignty for the country of Liechtenstein. Liechtenstein is a tiny, mountainous country in the middle of Europe. Remarkably, it is so central that it is one of only two so called "doubly landlocked" countries in the entire world, surrounded by the landlocked countries of Switzerland and Austria (Boslaugh, 2013). One can find a map depicting the Principality of Liechtenstein with its municipalities, as well as its borders to neighbouring countries, in figure 2.1.



Figure 2.1. Map of the Principality of Liechtenstein.

Notes: In the figure above the reader can see a map of the Principality of Liechtenstein. It displays the municipalities of the country as well as the two constituencies. Moreover, we can see the borders to the two neighbouring countries of Switzerland and Austria. Finally, some larger rivers and the highest mountain are displayed.

Source: Encyclopædia Britannica, Inc.

With an area of only 160 km² the German-speaking principality is the world's sixth smallest country (Youngblood-Coleman, 2014). Despite its tiny size and limited natural resources, Liecht-