



NEUE BANK

High level of stability, gratifying inflow of new funds

Vaduz, March 2021. NEUE BANK AG achieved an inflow of new funds in the amount of CHF 281.8 million in 2020. Client assets under management increased to CHF 5 804.8 million. The Board of Directors will propose to the General Meeting to adopt a dividend of 16 % on the share capital.

“Fiscal 2020 was marked by the global Covid-19 pandemic with very volatile markets in March and April, along with further intensification of the negative interest rate environment that has persisted for years, due to the cuts in US dollar interest rates. These developments are also reflected in NEUE BANK AG's annual result,” says Prof. Dr. Manuel Ammann, Chairman of the Board of Directors of NEUE BANK AG. “Despite these factors, our result is solid.” The net annual profit reached CHF 7.3 million. This figure includes the donation in the amount of CHF 0.5 million to public-benefit organisations in the year under review, with the aim of supporting organisations especially impacted by the coronavirus crisis. Despite the difficult environment, NEUE BANK AG achieved a solid gross operating profit of CHF 9.6 million, which – excluding the donation – even slightly exceeded expectations.

Adjustments on the Board of Directors

Chairman Karlheinz Ospelt and Vice Chairman Josef Quaderer left the Board of Directors in the autumn. Additionally, Alexander Jeeves announced his resignation from the Board of Directors in spring 2020. A new Chairman of the Board of Directors was found in Prof. Dr. Manuel Ammann, who has profound know-

ledge of the banking business and already helped shape the development of the bank as a member of the Board of Directors from 2008 to 2017. Marc-André Sola, a lawyer, also made himself available for appointment to the Board of Directors. Dr. Ernst Walch, who had already served on the Board of Directors of NEUE BANK AG since 2017, was appointed Vice Chairman.

Increase in operating income

Commission and fee income in the amount of CHF 16.2 million and income from financial transactions in the amount of CHF 6.7 million developed extremely positively, increasing by 11.8 % and 10.1 % respectively in comparison with the previous year, in particular due to active client behaviour at the beginning of the pandemic. Conversely, net interest income (incl. income from securities) dropped significantly by 18.1 % to CHF 5.5 million. Overall, operating income in the amount of CHF 28.6 million nevertheless increased by 4.7 % over the previous year. On the cost side, business expenses increased by 14.0 % over the previous year to CHF 19.0 million. Taking into account the donation in the amount of CHF 0.5 million, the cost/income ratio of 64.7 % would be below the budget target.

The new inflow of net new funds in the amount of CHF 281.8 million developed positively in the reporting year. This is not fully reflected in the overall development of client assets under management due to the massive price slump on the markets caused by the outbreak of Covid-19 in spring 2020 and the sharp decline in the US dollar exchange rate over the course of the year. The total portfolio of client assets under management increased by 2.4 % to CHF 5 804.8 million.

Surpassingly high level of security

Based on the result for fiscal 2020, the Board of Directors proposes to the General Meeting to be convened on 23 April 2021 to adopt a dividend of 16 %. CHF 1.0 million will be allocated to other reserves. Subject to the approval of the General Meeting, NEUE BANK AG's own funds will thus amount to CHF 140.1 million, with a Tier 1 ratio of 37.5 % as at the end of 2020. The bank thus has a solid capital base that is above average, providing its clients with a high level of security and stability.

Outlook

“Over the past years, the range of services offered by NEUE BANK AG has been steadily expanded. In addition to an increase in personnel, additional investments in IT are planned for 2021, which will contribute both to increasing efficiency and to strengthening the bank's digital presence,” says Pietro Leone, CEO of NEUE BANK AG. Even through the situation on the

financial markets, driven by strong growth in money supply and low interest rates, now appears to have eased, corrections like last year's cannot be ruled out in light of strongly increased valuations. This means it will be all the more important to abide by the principles of diversification. Despite these uncertainty factors and the ongoing Covid-19 pandemic, NEUE BANK AG will make every effort to achieve the goals it has set for itself.

NEUE BANK AG started operations on 1 July 1992 as the fourth financial institution in the Principality of Liechtenstein. As a classic private bank, it does not develop its own products, and it concentrates entirely on the interests and needs of its clients. It offers comprehensive and tailored service in investment advice and asset management, based on high quality standards. In addition to the advantages of Liechtenstein as a financial centre, NEUE BANK AG clients benefit from the bank's experience and focus on the future. Sustainability and a sense of responsibility shape its actions just as much as the personal character of its interactions with clients. With about 80 employees, NEUE BANK AG is able to act very flexibly and design tailored solutions. As the fourth-largest bank, NEUE BANK AG is now a fixture of the Liechtenstein banking centre and has also established itself abroad as a renowned private bank.

CONTACT FOR QUESTIONS

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Statement of Assets and Liabilities as at December 31, 2020

Assets

in thousands CHF	31.12.20	31.12.19	Change	
			absolute	in %
Liquid Funds	481'188	408'426	72'762	17.8
Due from Banks	327'791	396'980	-69'189	-17.4
a) on demand	159'176	158'571	605	0.4
b) other claims	168'615	238'409	-69'794	-29.3
Due from clients	389'610	403'331	-13'721	-3.4
of which mortgages	266'137	262'372	3'765	1.4
Bonds and other fixed interest securities	112'042	85'608	26'434	30.9
a) money market instruments	35'351	23'282	12'069	51.8
aa) of public authority issuers	35'351	18'432	16'919	91.8
bb) of other issuers	0	4'850	-4'850	n.a.
b) bonds	76'691	62'326	14'365	23.0
aa) of public authority issuers	8'184	8'071	113	1.4
bb) of other issuers	68'507	54'255	14'252	26.3
Shares and other non-fixed interest securities	5'010	2'412	2'598	107.7
Intangible assets	8	13	-5	-38.5
Fixed assets	20'568	20'906	-338	-1.6
Other assets	10'378	4'543	5'835	128.4
Accrued and deferred items	1'824	2'228	-404	-18.1
Total assets	1'348'419	1'324'447	23'972	1.8

Liabilities

in thousands CHF	31.12.20	31.12.19	Change	
			absolute	in %
Due to banks	63'127	5'806	57'321	n.a.
a) on demand	63'127	5'806	57'321	n.a.
Due to clients	1'120'007	1'158'901	-38'894	-3.4
a) other liabilities	1'120'007	1'158'901	-38'894	-3.4
aa) on demand	1'102'563	881'595	220'968	25.1
bb) with agreed maturity or period of notice	17'444	277'306	-259'862	-93.7
Certified liabilities	425	965	-540	-56.0
of which medium term notes	425	965	-540	-56.0
Other liabilities	13'916	9'032	4'884	54.1
Accrued and deferred items	2'358	1'516	842	55.5
Provisions	2'054	2'227	-173	-7.8
a) tax provisions	2'054	2'227	-173	-7.8
Provisions for general banking risks	15'980	15'980	0	0.0
Capital subscribed	40'000	40'000	0	0.0
Capital surplus	83'054	80'954	2'100	2.6
a) legal reserves	8'000	8'000	0	0.0
b) other reserves	75'054	72'954	2'100	2.9
Surplus carried forward	166	170	-4	-2.4
Net income	7'332	8'896	-1'564	-17.6
Total liabilities	1'348'419	1'324'447	23'972	1.8

Off balance sheet transactions

in thousands CHF	31.12.20	31.12.19	Change	
			absolute	in %
Contingent liabilities	8'208	8'339	-131	-1.6
of which liabilities arising from guarantees and performance contracts as well as liabilities arising from collateralizations	8'208	8'339	-131	-1.6
Credit risks	180	6'654	-6'474	-97.3
of which irrevocable commitments	180	6'654	-6'474	-97.3
Derivative financial instruments				
- volume of contracts	1'131'634	992'968	138'666	14.0
- positive replacement values	10'167	4'452	5'715	128.4
- negative replacement values	12'823	8'000	4'823	60.3
Fiduciary transactions	301'950	332'124	-30'174	-9.1

Income statement from 2020

in thousands CHF	2020	2019	Change	
			absolute	in %
Interest income				
Interest earned	5'463	10'359	-4'896	-47.3
of which from fixed interest securities	1'127	1'389	-262	-18.9
Interest paid	-9	-3'683	3'674	-99.8
Net interest income	5'454	6'676	-1'222	-18.3
Income from securities	13	3	10	n.a.
a) shares and other non-fixed interest securities	13	3	10	n.a.
of which from trading activities	13	3	10	n.a.
Commission and fee income				
Commission and fee income	19'133	15'982	3'151	19.7
a) loan related commission income	72	71	1	1.4
b) securities and investment related income	17'525	14'120	3'405	24.1
c) other commission and fee income	1'536	1'791	-255	-14.2
Commission paid	-2'962	-1'516	-1'446	95.4
Net commission and fee income	16'171	14'466	1'705	11.8
Income from financial transactions	6'694	6'081	613	10.1
of which from trading activities	6'569	5'665	904	16.0
Other ordinary income	250	63	187	n.a.
a) income from real estate	59	58	1	1.7
b) other ordinary income	191	5	186	n.a.
Business expenses	-19'003	-16'672	-2'331	14.0
a) personnel expenses	-12'340	-10'836	-1'504	13.9
of which:				
aa) salaries	-10'262	-8'959	-1'303	14.5
bb) social levies and pension contributions	-1'877	-1'775	-102	5.7
of which for pension contributions	-1'118	-1'007	-111	11.0
b) administrative expenses	-6'663	-5'836	-827	14.2
Gross operating profit	9'579	10'617	-1'038	-9.8
Amortisation of intangible assets and depreciation of fixed assets	-649	-726	77	-10.6
Other ordinary expenses	-837	-64	-773	n.a.
Result of ordinary operations	8'093	9'827	-1'734	-17.6
Income taxes	-761	-931	170	-18.3
Net profit	7'332	8'896	-1'564	-17.6