

Neue Bank reports positive development of assets under management

Semi-annual report as at 30 June 2024

In the first half of the 2024 fiscal year, Neue Bank achieved a gratifying inflow of net new funds in the amount of CHF 196.8 million. At the same time, assets under management reached a record high of just under CHF 6.8 billion. Earnings developed in line with expectations and were lower than in the same period of the previous year.

The financial markets performed well in the first half of 2024. The SNB's interest rate cuts, in particular, led to gains in foreign currencies – especially the US-dollar and euro – against the Swiss franc. Combined with strong stock market performance, this had a positive impact on assets under management.

Gratifying increase in net new funds and assets under management

The inflow of net new funds developed positively in the first half of 2024, amounting to an impressive CHF 196.8 million. At the same time, assets under management increased by around CHF 770 million or 12.8% to CHF 6.8 billion since the end of 2023, reaching a new high.

Income and earnings development

Operating income amounted to CHF 17.1 million, a slight decrease of 3.4% compared to the same period of the previous year. The most significant source of operating income – commission and fee income – increased by 5.5% to CHF 8.4 million, partly due to higher portfolio-dependent income. While net interest income of CHF 5.8 million was 5.7% lower than the previous year's result due to narrower margins, net income from financial transactions fell by 18.8% to CHF 3.0 million.

Due to targeted investments in further optimising processes and increasing efficiency, operating expenses rose by 4.7% to CHF 12.5 million compared to the previous year. Nevertheless, operating expenses were kept below budget.

Overall, this resulted in net profit of CHF 3.7 million, which was 22.4% lower than the profit for the same period of the previous year. Nevertheless, the income situation developed in line with expectations, given that a lower profit than in the previous year had been budgeted for 2024 due to the aforementioned strategic investments.

Excellent capital base

With a Tier 1 ratio of 27.9%, Neue Bank continued to report an above-average and solid capital base that is well above the regulatory requirements and guarantees clients a high level of security and stability.



**Neue
Bank**

Good performance of PRIMUS asset management mandates

Neue Bank's PRIMUS asset management mandates continue to perform well. The sustainable asset management solutions allow investors to consider not only financial but also environmental and social aspects when making investment decisions. For example, the PRIMUS-ETHICS Equities World CHF mandate – based on performance figures as of the end of June 2024 – achieved a year-to-date performance of 28.7%, significantly outperforming the benchmark (19.6%). The strategy is also impressive in a longer-term comparison: Over the past ten years, it has achieved a performance of 156.9%, or 9.9% per year, outperforming the benchmark (total return: 120.8% / 8.2% p.a.). This development demonstrates that incorporating sustainable criteria can positively impact economic success.

Outlook

The global economic and political situation is fraught with imponderables. Although we expect the positive trend to continue overall, the elections in the United States, in particular, could increasingly draw investor attention in the second half of 2024 and lead to increased volatility, at least temporarily.

Regarding future business development, we expect to achieve our set targets, assuming the general conditions remain unchanged.

Vaduz, August 2024

Contact for enquiries

Neue Bank AG, Thomas Hemmerle, T +423 236 08 08, medienstelle@neuebankag.li

Balance sheet as at 30 June 2024

Assets

in thousands CHF	30.06.24	31.12.23	Change absolute	Change in %
Liquid Funds	286'028	182'192	103'836	57.0
Due from Banks	356'806	239'850	116'956	48.8
a) on demand	125'317	102'840	22'477	21.9
b) other claims	231'489	137'010	94'479	69.0
Due from clients	418'548	373'854	44'694	12.0
of which mortgages	320'097	281'535	38'562	13.7
Bonds and other fixed interest securities	197'359	203'229	-5'870	-2.9
a) money market instruments	18'907	23'862	-4'955	-20.8
aa) of public authority issuers	18'907	18'868	39	0.2
bb) of other issuers	0	4'994	-4'994	-100.0
b) bonds	178'452	179'367	-915	-0.5
aa) of public authority issuers	17'979	17'016	963	5.7
bb) of other issuers	160'473	162'351	-1'878	-1.2
Shares and other non - fixed interest securities	2'601	3'158	-557	-17.6
Fixed assets	21'312	21'519	-207	-1.0
Other assets	11'715	13'209	-1'494	-11.3
Accrued and deferred items	4'193	3'309	884	26.7
Total assets	1'298'562	1'040'320	258'242	24.8

Liabilities

in thousands CHF	30.06.24	31.12.23	Change absolute	Change in %
Due to banks	36'100	43'108	-7'008	-16.3
a) on demand	31'960	38'278	-6'318	-16.5
b) with agreed maturity or period of notice	4'140	4'830	-690	-14.3
Due to clients	1'097'975	816'569	281'406	34.5
a) other liabilities	1'097'975	816'569	281'406	34.5
aa) on demand	256'450	245'912	10'538	4.3
bb) with agreed maturity or period of notice	841'525	570'657	270'868	47.5
Certified liabilities	2'812	2'812	0	0.0
of which medium term notes	2'812	2'812	0	0.0
Other liabilities	8'725	22'291	-13'566	-60.9
Accrued and deferred items	3'199	3'041	158	5.2
Provisions	2'511	2'153	358	16.6
a) tax provisions	2'331	1'973	358	18.1
b) other provisions	180	180	0	0.0
Provisions for general banking risks	14'800	14'800	0	0.0
Capital subscribed	40'000	40'000	0	0.0
Capital surplus	88'554	87'154	1'400	1.6
a) legal reserves	8'000	8'000	0	0.0
b) other reserves	80'554	79'154	1'400	1.8
Surplus carried forward	193	191	2	1.0
Net income	3'693	8'201	-4'508	-55.0
Total liabilities	1'298'562	1'040'320	258'242	24.8

Off balance sheet transactions

in thousands CHF	30.06.24	31.12.23	Change absolute	Change in %
Contingent liabilities	12'776	13'145	-369	-2.8
of which liabilities arising from guarantees and performance contracts as well as liabilities arising from collateralizations	12'776	13'145	-369	-2.8
Credit risks	2'052	6'307	-4'255	-67.5
of which irrevocable commitments	2'052	6'307	-4'255	-67.5
Derivative financial instruments				
- volume of contracts	1'674'169	1'253'884	420'285	33.5
- positive replacement values	10'799	12'393	-1'594	-12.9
- negative replacement values	6'426	20'601	-14'175	-68.8
Fiduciary transactions	451'839	392'402	59'437	15.1

Income statement

1st half of 2024

in thousands CHF	1st half of 2024	1st half of 2023	Change absolute	Change in %
Net interest income				
Interest income	16'934	12'327	4'607	37.4
from fixed-income securities	1'959	1'834	125	6.8
Interest expense	-11'167	-6'213	-4'954	79.7
Subtotal net interest income	5'767	6'114	-347	-5.7
Current income from securities	0	6	-6	-100.0
a) equities and other non-fixed-income securities	0	6	-6	-100.0
of which from trading	0	1	-1	-100.0
Result from commission business and services				
Income from commission business and services	9'324	8'867	457	5.2
a) commission income from lending activities	86	87	-1	-1.1
b) commission income from securities trading and investment activities	8'490	8'021	469	5.8
c) commission income from other services	748	759	-11	-1.4
Commission expense	-940	-921	-19	2.1
Subtotal result from commission business and services	8'384	7'946	438	5.5
Result from financial transactions	2'967	3'653	-686	-18.8
of which from trading	2'789	3'471	-682	-19.6
Other ordinary income	17	22	-5	-22.7
a) result from real estate	0	15	-15	-100.0
b) other income from ordinary activities	17	7	10	142.9
Operating expenses	-12'475	-11'920	-555	4.7
a) personnel expenses	-6'930	-6'993	63	-0.9
of which:				
aa) wages and salaries	-5'569	-5'747	178	-3.1
bb) social security contributions and expenditures for pensions and other employee benefits	-1'133	-1'102	-31	2.8
of which for pensions	-627	-622	-5	0.8
b) general and administrative expenses	-5'545	-4'927	-618	12.5
Gross profit	4'660	5'821	-1'161	-19.9
Amortisation of intangible assets and depreciation of tangible assets	-597	-368	-229	62.2
Other ordinary expenses	-10	-171	161	-94.2
Result on ordinary business activity	4'053	5'282	-1'229	-23.3
Corporate earnings tax	-360	-522	162	-31.0
Half-year profit	3'693	4'760	-1'067	-22.4