



NEUE BANK

NEUE BANK with highest volume in its history

Semi-annual report as of 30 June 2021

Vaduz, 31 August 2021. NEUE BANK continued on its growth path in the first half of 2021, achieving a strong increase in assets under management despite the challenging situation. For the first time in its history, the bank achieved record assets under management of CHF 6.5 billion.

The look back on the first half of 2021 continues to be marked by a historic event – the global Covid-19 pandemic. This special situation poses challenges not only for the financial industry. Despite the difficult market environment, NEUE BANK reported gratifying business development. Assets under management developed very positively in the first half of 2021 and exceeded the CHF 6 billion mark for the first time ever in February. Due to the considerable inflow of new net funds in the amount of CHF 266.0 million and the good market development, assets under management increased to CHF 6.5 billion by the end of June, representing a gain of 12.6 % or more than CHF 730.0 million over the end of 2020.

"The results of the first half of 2021 show that the investments made by NEUE BANK, especially in the expansion of client advisory services and digitalisation, are having a positive impact. Also thanks to these investments, the gratifying increase in client volume from the previous year has continued. With a bit of delay, this will also have a positive effect on earnings," says Pietro Leone, CEO of NEUE BANK.

Earnings development exceeds expectations

Last year's cuts in USD interest rates and the associated aggravation of the low interest rate situation

were clearly reflected in earnings development over the first six months of the year. Compared with the same period of the previous year, earnings decreased to CHF 3.8 million. On the other hand, commission and fee income developed very positively, increasing by 8.9 % to CHF 9.1 million. This could not fully compensate lower net interest income (incl. income from securities) in the amount of CHF 2.3 million and financial operations in the amount of CHF 2.8 million, however. Overall, operating income in the amount of CHF 14.2 million was 6.4 % below income in the same period of the previous year. Operating expenses of CHF 9.6 million were below budget and only 1.7 % above the previous year's expenses, resulting in a gross operating profit of CHF 4.6 million, which slightly exceeded expectations.

Outlook

Despite the continuing economic uncertainty, NEUE BANK is well prepared for the challenges ahead and is entering the second half of the year from a position of strength. With an above-average Tier 1 ratio of 38.2 %, it has a capital base that far exceeds the regulatory requirements and industry average, offering clients an exceptionally high level of security and stability.

CONTACT FOR QUESTIONS

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Statement of Assets and Liabilities as at 30 June 2021

Assets

in thousands CHF	30.06.21	31.12.20	Change	
			absolute	in %
Liquid Funds	482'378	481'188	1'190	0.2
Due from Banks	298'362	327'791	-29'429	-9.0
a) on demand	141'049	159'176	-18'127	-11.4
b) other claims	157'313	168'615	-11'302	-6.7
Due from clients	396'133	389'610	6'523	1.7
of which mortgages	268'601	266'137	2'464	0.9
Bonds and other fixed interest securities	111'064	112'042	-978	-0.9
a) money market instruments	18'458	35'351	-16'893	-47.8
aa) of public authority issuers	18'458	35'351	-16'893	-47.8
b) bonds	92'606	76'691	15'915	20.8
aa) of public authority issuers	10'072	8'184	1'888	23.1
bb) of other issuers	82'534	68'507	14'027	20.5
Shares and other non-fixed interest securities	5'398	5'010	388	7.7
Intangible assets	6	8	-2	-25.0
Fixed assets	20'336	20'568	-232	-1.1
Other assets	8'761	10'378	-1'617	-15.6
Accrued and deferred items	2'504	1'824	680	37.3
Total assets	1'324'942	1'348'419	-23'477	-1.7

Liabilities

in thousands CHF	30.06.21	31.12.20	Change	
			absolute	in %
Due to banks	6'819	63'127	-56'308	-89.2
a) on demand	2'673	63'127	-60'454	-95.8
b) with agreed maturity or period of notice	4'146	0	4'146	n.a.
Due to clients	1'162'004	1'120'007	41'997	3.7
a) other liabilities	1'162'004	1'120'007	41'997	3.7
aa) on demand	1'142'268	1'102'563	39'705	3.6
bb) with agreed maturity or period of notice	19'736	17'444	2'292	13.1
Certified liabilities	200	425	-225	-52.9
of which medium term notes	200	425	-225	-52.9
Other liabilities	7'001	13'916	-6'915	-49.7
Accrued and deferred items	2'611	2'358	253	10.7
Provisions	2'415	2'054	361	17.6
a) tax provisions	2'415	2'054	361	17.6
Provisions for general banking risks	15'980	15'980	0	0.0
Capital subscribed	40'000	40'000	0	0.0
Capital surplus	84'054	83'054	1'000	1.2
a) legal reserves	8'000	8'000	0	0.0
b) other reserves	76'054	75'054	1'000	1.3
Surplus carried forward	98	166	-68	-41.0
Net income	3'760	7'332	-3'572	-48.7
Total liabilities	1'324'942	1'348'419	-23'477	-1.7

Off balance sheet transactions

in thousands CHF	30.06.21	31.12.20	Change	
			absolute	in %
Contingent liabilities	9'126	8'208	918	11.2
of which liabilities arising from guarantees and performance contracts as well as liabilities arising from collateralizations	9'126	8'208	918	11.2
Credit risks	0	180	-180	-100.0
of which irrevocable commitments	0	180	-180	-100.0
Derivative financial instruments				
- volume of contracts	923'441	1'131'634	-208'193	-18.4
- positive replacement values	8'657	10'167	-1'510	-14.9
- negative replacement values	5'222	12'823	-7'601	-59.3
Fiduciary transactions	282'812	301'950	-19'138	-6.3

Income statement from 01.01. – 30.06.2021

in thousands CHF	1. Sem. 2021	1. Sem. 2020	Change	
			absolute	in %
Interest income				
Interest earned	1'894	3'543	-1'649	-46.5
of which from fixed interest securities	491	651	-160	-24.6
Interest paid	352	-352	704	-200.0
Net interest income	2'246	3'191	-945	-29.6
Income from securities				
	16	3	13	n.a.
a) shares and other non-fixed interest securities	16	3	13	n.a.
of which from trading activities	11	2	9	n.a.
Commission and fee income				
Commission and fee income	10'644	9'913	731	7.4
a) loan related commission income	39	37	2	5.4
b) securities and investment related income	9'875	9'098	777	8.5
c) other commission and fee income	730	778	-48	-6.2
Commission paid	-1'570	-1'583	13	-0.8
Net commission and fee income	9'074	8'330	744	8.9
Income from financial transactions				
	2'793	3'513	-720	-20.5
of which from trading activities	2'528	3'826	-1'298	-33.9
Other ordinary income				
	104	163	-59	-36.2
a) income from real estate	28	29	-1	-3.4
b) other ordinary income	76	134	-58	-43.3
Business expenses				
	-9'622	-9'465	-157	1.7
a) personnel expenses	-6'194	-5'993	-201	3.4
of which:				
aa) salaries	-5'117	-4'960	-157	3.2
bb) social levies and pension contributions	-975	-950	-25	2.6
of which for pension contributions	-566	-555	-11	2.0
b) administrative expenses	-3'428	-3'472	44	-1.3
Gross operating profit	4'611	5'735	-1'124	-19.6
Amortisation of intangible assets and depreciation of fixed assets	-352	-318	-34	10.7
Other ordinary expenses	-138	-69	-69	100.0
Result of ordinary operations	4'121	5'348	-1'227	-22.9
Income taxes	-361	-565	204	-36.1
Half-year profit	3'760	4'783	-1'023	-21.4