

Change

Review of Business Activities 2021



Neue
Bank



Board of Directors

Willy Bürzle, Member

Mag. Damian Wille, Member

Prof. Dr. Manuel Ammann, Chairman

Dr. Ernst Walch, Vice Chairmant

Lic. iur. Marc Sola, Member

Executive Committee

Lic. oec. Claudia Jehle-Ospelt

Marcel Lüchinger, CEO

Dr. Reinhard Malin

Thomas Hemmerle

from left

Governing Bodies and Auditors

Board of Directors

Prof. Dr. Manuel Ammann, Niederteufen Chairman

Dr. iur. Ernst Walch, Planken Vice Chairman

Willy Bürzle, Balzers Member

Lic. iur. Marc-André Sola, Dubai Member

Mag. rer. soc. oec. Damian Wille, Vaduz Member

Honorary Chairman of the Board of Directors Lic. oec. Karlheinz Ospelt, Vaduz

Honorary Chairman of the Board of Directors Georg Vogt, Balzers

Honorary Member of the Board of Directors Jost Pilgrim, Schaan

Executive Committee

Marcel Lüchinger (Chairman) Intermediaries / Credit from 24 September 2021

Pietro Leone (Chairman) Investment / Credit until 24 September 2021

Thomas Hemmerle Wealth Management / Trading

Lic. oec. Claudia Jehle-Ospelt Finance / Operations

Dr. iur. Mag. rer. soc. oec. Reinhard Malin Legal / Risk / Compliance

Auditors KPMG (Liechtenstei) AG, Vaduz

Report of the Board of Directors and the Executive Committee

Dear Shareholders
Dear Madam, dear Sir

The year 2021 was marked by the Covid-19 pandemic. Like the entire banking industry, the pandemic presented us with operational challenges. Economically, the year was characterised by historically low interest rates, which weighed on our interest margin. Fortunately, markets remained resilient, and client activity was high. Overall, Neue Bank is able to look back on a very successful year.

Excellent result

In 2021, we again grew through our own efforts and increased our profit to CHF 7.6 million – higher than in the previous year and also higher than our budget target. The development of assets under management is especially gratifying, exceeding the CHF 6 billion threshold for the first time. As of 31 December 2021, assets under management were CHF 692.3 million higher than the previous year, reaching CHF 6.5 billion. Neue Bank benefited from a strong inflow of net new funds in the amount of CHF 336.2 million.

The Board of Directors proposes to the General Meeting to adopt a dividend of 16% on share capital and an allocation of CHF 1.2 million to other reserves. Subject to approval of this allocation of profits by the General Meeting, the equity capital of Neue Bank will reach CHF 141.4 million. With a Tier 1 ratio of 40%, the bank has an extraordinarily strong and solid capital base, guaranteeing a high level of security and stability to our clients.

Change in the Executive Committee

In September 2021, Pietro Leone decided to pursue new challenges in his career. He had been a Member of the Executive Committee since 2007 and took over as CEO in June 2019. Pietro Leone was instrumental in driving forward Neue Bank's developments in sustainability and digitalisation, laying the foundation for a successful future. We thank him for his great dedication to the company.

Marcel Lüchinger succeeds Pietro Leone as CEO. Marcel Lüchinger headed the Family Office and Intermediaries divisions of Neue Bank since September 2019. He started his career in investment banking at two major Swiss banks, advancing to a senior position in wealth management at one of the largest Swiss private banks. For more than ten years, he worked for various Liechtenstein private banks as head of external asset managers and private label funds. We are pleased to be able to appoint Marcel Lüchinger, a strong leader from our own ranks, as the new CEO.

Consistent customer focus

The needs of our clients are increasing – especially in the current dynamic market environment characterised by great uncertainty. As a private bank, we see ourselves as a personal service provider, where clients can find tailor-made solutions without any detours. We take time for our clients and tirelessly put their inter-

ests front and centre. We do this with dedication, profound expertise, and the personal commitment of each individual advisor. Integrity and the commitment to convince our clients through competence, performance, and passion are our daily motivation. Through excellent advice and secure support, we do our best every day to deliver added value to our clients. As Neue Bank, we have made a performance promise. By investing in advisory services and digitalisation, we have demonstrated flexibility and adjusted to the circumstances. Even though the communication channels have changed due to technological developments and the pandemic, we have accepted this major challenge and adapted to it in an excellent way. For our clients, this means boutique-quality private banking.

The high level of competence of our client advisors is also reflected in their ongoing training: Last year, all our client advisors obtained the relevant Fintelligence rules of conduct certifications under FinSA and MiFID. FinSA certification is the basis for entry in the Swiss Client Advisor Register.

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Attractive employer

The world is changing at an unprecedented speed. The pandemic is forcing us to change our behaviour – both privately and professionally. The world of work has also changed in the past two years. We see these challenges as opportunities. The satisfaction of our employees is our focus. As an innovative and attractive employer in the region, we offer prospects – from training and

career entry to exciting and varied functions with a high degree of added value and responsibility. We rely on competent, service-oriented, and innovative employees. Thanks to streamlined decision-making, we promote entrepreneurial ideas and strengthen a sense of belonging. We are aware that top performance requires excellent employment conditions – also when it comes to modern workplaces and benefits as well as attractive additional offerings. We pay particular attention to a management style based on partnership, an open communication culture, and a positive working atmosphere.

Strategic priorities

In 2021, the Board of Directors conducted a strategy update together with the Executive Committee. Strategy 2025 adopted by the Board of Directors sets a focus on growth, efficiency, profitability, and stability. Specifically, this means we are targeting an inflow of net new funds in the amount of CHF 300 million per year. Our target cost/income ratio is a maximum of 65% by the end of 2025, with an increase in return on equity to 7%. The aim is for Neue Bank to maintain its Tier 1 ratio of over 30%, ensuring that it is one of the best-capitalised banks in the industry.

The core of our strategy is a consistent focus on the needs of our customers. The focus continues to be on private client and intermediary business along our strategic business lines of private banking, asset management, financial planning, lending, family office services for intermediaries, and custodian banking for private label funds. To meet our high quality demands, we have expanded and reorganised our Private Banking and Intermediaries divisions.

Our commitment is to design tailored asset management solutions at the highest level for discerning private clients and intermediaries. To achieve this commitment, we always work in harmony with the interests of our clients to sustainably secure and increase their assets. Thanks to the quality of our services, our agility in implementing solutions, and our dedicated closeness to our clients, we strive to be one of the most sought-after addresses in the Germany-Austria-Switzerland-Liechtenstein region for our target clients. Over the coming years, we aim to generate further growth by expanding our sales activities. We aim to achieve increased efficiency – and thus an even greater focus on our clients – through digitalisation, automation, and process optimisation. At the same time, Neue Bank continues to stand for controllable risk and unconditional compliance with the defined risk appetite.

A further goal is sustainability put into practice. We see corporate social responsibility as an integral part of our business success. As a private bank, we take responsibility – not only for our clients' assets. As a company, we also have a responsibility towards society, our employees, future generations, and the environment. Sustainable and ethical behaviour has been firmly enshrined in Neue Bank's mission statement since the bank was founded in 1992.

Outlook

The new strategy is a consistent further development of Neue Bank. Because for us, boutique banking means putting you at the centre. In 2022, we will pursue our vision in a targeted and focused manner: Neue Bank is an independent private bank boutique, creating sustainable benefits with client-oriented solutions – for you, our shareholders, our clients, and our employees.

In 2022, we are also celebrating our 30th anniversary. We can look back with pride on the achievements of the past, and we are excited about the opportunities and possibilities that the future will bring. This combination of tradition and innovation is what makes Neue Bank what it is. We look forward to celebrating with you.

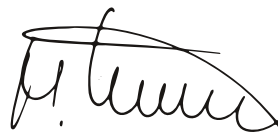
Thanks to clients, shareholders, and employees

Always – but especially in these challenging times – our special thanks go to our shareholders and clients for their trust and loyalty, as well as to our employees, who are confronted with great challenges every day and devote themselves to those challenges with equally great dedication.

Vaduz, February 2022



Prof. Dr. Manuel Ammann
President of the Board of Directors



Marcel Lüchinger
CEO



«We are an independent private bank boutique, creating sustainable benefits with client-oriented solutions.»

Statement of Assets and Liabilities as at December 31, 2021

Assets

in thousands CHF	31.12.21	31.12.20	Change absolute	Change in %
Liquid Funds	440'552	481'188	-40'636	-8.4
Due from Banks	249'889	327'791	-77'902	-23.8
a) on demand	41'027	159'176	-118'149	-74.2
b) other claims	208'862	168'615	40'247	23.9
Due from clients	368'207	389'610	-21'403	-5.5
of which mortgages	248'358	266'137	-17'779	-6.7
Bonds and other fixed interest securities	142'105	112'042	30'063	26.8
a) money market instruments	36'564	35'351	1'213	3.4
aa) of public authority issuers	36'564	35'351	1'213	3.4
b) bonds	105'541	76'691	28'850	37.6
aa) of public authority issuers	9'516	8'184	1'332	16.3
bb) of other issuers	96'025	68'507	27'518	40.2
Shares and other non -fixed interest securities	5'324	5'010	314	6.3
Intangible assets	5	8	-3	-37.5
Fixed assets	20'137	20'568	-431	-2.1
Other assets	8'960	10'378	-1'418	-13.7
Accrued and deferred items	1'883	1'824	59	3.2
Total assets	1'237'062	1'348'419	-111'357	-8.3

Liabilities

in thousands CHF	31.12.21	31.12.20	Change absolute	Change in %
Due to banks	27'528	63'127	-35'599	-56.4
a) on demand	21'502	63'127	-41'625	-65.9
b) with agreed maturity or period of notice	6'026	0	6'026	n.a.
Due to clients	1'043'560	1'120'007	-76'447	-6.8
a) other liabilities	1'043'560	1'120'007	-76'447	-6.8
aa) on demand	1'036'773	1'102'563	-65'790	-6.0
bb) with agreed maturity or period of notice	6'787	17'444	-10'657	-61.1
Certified liabilities	175	425	-250	-58.8
of which medium term notes	175	425	-250	-58.8
Other liabilities	13'832	13'916	-84	-0.6
Accrued and deferred items	2'123	2'358	-235	-10.0
Provisions	2'088	2'054	34	1.7
a) tax provisions	2'028	2'054	-26	-1.3
b) other provisions	60	0	60	n.a.
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	7'624	7'332	292	4.0
Total liabilities	1'237'062	1'348'419	-111'357	-8.3

Off balance sheet transactions

in thousands CHF	31.12.21	31.12.20	Change absolute	Change in %
Contingent liabilities	10'283	8'208	2'075	25.3
of which liabilities arising from guarantees and performance contracts as well as liabilities arising from collateralizations	10'283	8'208	2'075	25.3
Credit risks	750	180	570	n.a.
of which irrevocable commitments	750	180	570	n.a.
Derivative financial instruments				
- volume of contracts	1'555'402	1'131'634	423'768	37.4
- positive replacement values	8'857	10'167	-1'310	-12.9
- negative replacement values	11'860	12'823	-963	-7.5
Fiduciary transactions	279'679	301'950	-22'271	-7.4

Income statement from 2021

in thousands CHF	2021	2020	Change absolute	Change in %
Interest income				
Interest earned	3'703	5'463	-1'760	-32.2
of which from fixed interest securities	1'041	1'127	-86	-7.6
Interest paid	729	-9	738	n.a.
Net interest income	4'432	5'454	-1'022	-18.7
Income from securities	31	13	18	138.5
a) shares and other non-fixed interest securities	31	13	18	138.5
of which from trading activities	21	13	8	61.5
Commission and fee income				
Commission and fee income	21'274	19'133	2'141	11.2
a) loan related commission income	84	72	12	16.7
b) securities and investment related income	19'675	17'525	2'150	12.3
c) other commission and fee income	1'515	1'536	-21	-1.4
Commission paid	-2'578	-2'962	384	-13.0
Net commission and fee income	18'696	16'171	2'525	15.6
Income from financial transactions	5'700	6'694	-994	-14.8
of which from trading activities	5'529	6'569	-1'040	-15.8
Other ordinary income	150	250	-100	-40.0
a) income from real estate	59	59	0	0.0
b) other ordinary income	91	191	-100	-52.4
Business expenses	-19'058	-19'003	-55	0.3
a) personnel expenses	-12'682	-12'340	-342	2.8
of which:				
aa) salaries	-10'580	-10'262	-318	3.1
bb) social levies and pension contribution	-1'906	-1'877	-29	1.5
of which for pension contributions	-1'151	-1'118	-33	3.0
b) administrative expenses	-6'376	-6'663	287	-4.3
Gross operating profit	9'951	9'579	372	3.9
Amortisation of intangible assets and depreciation of fixed assets	-698	-649	-49	7.6
Other ordinary expenses	-801	-837	36	-4.3
Allowance for impaired receivables and additions to provisions for contingent liabilities and credit risks	-97	0	-97	n.a.
Result of ordinary operations	8'355	8'093	262	3.2
Income taxes	-731	-761	30	-3.9
Net profit	7'624	7'332	292	4.0

Distribution of available earnings 2021

Proposal of the Board of Directors to the ordinary General Meeting of Shareholders on April 29, 2022

2021

The Board of Directors proposes to the General Meeting to appropriate available earnings for fiscal 2021 consisting of:

Net profit	CHF	7'624'456
Carry-forward	CHF	98'206
Total	CHF	7'722'662

as follows:

Distribution of a dividend of 16%	CHF	6'400'000
Allocation to other reserves	CHF	1'200'000
Carry-forward to the new fiscal year	CHF	122'662

Significant shareholders and groups of shareholders linked by voting rights

in thousands CHF	31.12.21		31.12.20	
	nominal	voting share in %	nominal	voting share in %
with voting right				
Hermann Wille Family Foundation	12'421	33.8	12'421	33.8
Julia Pilgrim	2'179	10.3	0	0.0
Peregrinus Family Foundation	0	0.0	2'179	10.3
Elmar Bürzle	1'700	8.2	1'700	8.2
Fanama Foundation	1'670	8.2	1'670	8.2
Dylai Foundation	3'228	6.2	3'228	6.2

The statutory auditors issued an unqualified audit opinion on the Annual Report 2021, established in accordance with Liechtenstein Banking Law and Regulations. The complete German language Annual Report 2021 will be filed in the Office of Justice of Liechtenstein (Number FL-1.502.960).



**Perspectives
change
perceptions.**

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