

Neue Bank with record-high assets under management

Vaduz, 17 March 2022. Neue Bank achieved a profit of CHF 7.6 million and inflows of net new funds in the amount of CHF 336.2 million in 2021. Assets under management increased to CHF 6.5 billion. The Board of Directors will propose a dividend of 16% on the share capital to the General Meeting.

“The year 2021 was marked by the Covid-19 pandemic and historically low interest rates, presenting us – like the entire banking industry – with challenges. Fortunately, markets remained resilient, and client activity was high. As a result, Neue Bank can look back on a very successful year. We are pleased to be able to announce the highest level of assets under management in our history,” says Prof. Dr. Manuel Ammann, Chairman of the Board of Directors of Neue Bank.

Excellent result

In 2021, Neue Bank once again grew through its own efforts and increased profit to CHF 7.6 million – higher than in the previous year and also higher than the 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, corresponding to an increase of 11.9% and 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 main source of income was commission and fee income with a significant increase of 15.6% to CHF 18.7 million. In contrast, the further deterioration in the interest margin had an impact on net interest income (including income from securities), which fell by 18.4% to CHF 4.5 million. Income from financial operations, at CHF 5.7 million, was also 14.8% lower than in 2020, given that the previous year's income benefited strongly from active client behaviour as a result of the volatile markets at the beginning of the pandemic. Overall, however, operating income increased by 1.5% to CHF 29.0 million. Operating expenses were below target at CHF 19.1 million and slightly above last year's expenses by 0.3%. The cost/income ratio improved year-on-year to 65.7%.

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.

Marcel Lüchinger confirmed as CEO

Marcel Lüchinger took over as interim CEO of Neue Bank at the end of September 2021. He has now been confirmed by the Board of Directors as CEO. “We are delighted to have been able to recruit Marcel Lüchinger, a strong leader from our own ranks, for this role. Over the past months, he has demonstrated his strategic strength, motivation, and conviction. We are convinced that, together with the Board of Directors and the Executive Committee, he will be able to lead Neue Bank successfully into the future,” says Prof. Dr. Manuel Ammann.

Strategic priorities

In 2021, the Board of Directors conducted a strategy update together with the Executive Committee. Strategy 2025 sets a focus on growth, efficiency, profitability, and stability. Specifically, this means that Neue Bank is targeting an inflow of net new funds in the amount of CHF 300 million per year. The 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 to maintain the Tier 1 ratio of over 30%, ensuring that Neue Bank continues to be one of the best-capitalised banks in the industry.

The core of the strategy is a consistent focus on the needs of clients. The focus continues to be on private client and intermediary business along the 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 the high quality demands, Neue Bank has expanded and reorganised the Private Banking and Intermediaries divisions.

Neue Bank’s commitment is to design tailored asset management solutions at the highest level for discerning private clients and intermediaries. To achieve this commitment, the bank always works in harmony with the interests of its clients to sustainably secure and increase their assets. Thanks to the quality of its services, its agility in implementing solutions, and its dedicated closeness to clients, Neue Bank strives to be one of the most sought-after addresses in the Germany-Austria-Switzerland-Liechtenstein region for its target clients. Over the coming years, Neue Bank aims to generate further growth by expanding sales activities. Neue Bank aims to achieve increased efficiency – and thus an even greater focus on 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. Neue Bank sees corporate social responsibility as an integral part of its business success. As a private bank, it takes responsibility – not only for its clients’ assets. As a company, the bank also has a responsibility towards society, its 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.

“The new strategy is a consistent further development of Neue Bank. For us, boutique banking means putting our clients at the centre of our activities. In 2022, we will pursue our vision in a targeted and focused manner: Neue Bank is an independent private bank boutique, creating sustainable benefits through client-oriented solutions,” says Marcel Lüchinger, CEO of Neue Bank.

Outlook

The investments made in IT in recent years will continue to be pursued in 2022. These measures to optimise processes and increase efficiency are an integral part of Strategy 2025. New employees will also be hired depending on the situation, primarily to further expand and professionalise service offerings. Despite some uncertainties due to higher volatility in the market, the lack of easing in EUR and CHF interest rates, and the uncertainty factors relating to the Russia-Ukraine conflict and the Covid-19 pandemic, Neue Bank is very confident that it will be able to successfully master the future challenges and achieve its targets.

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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