

# Neue Bank achieves good operating result and continues on its growth path

Annual Report as of 31 December 2023

**Vaduz, 13 March 2024.** Neue Bank achieved a profit of CHF 8.2 million in 2023 and an inflow of net new funds in the amount of CHF 240.3 million. Assets under management increased to CHF 6.0 billion. The Board of Directors is proposing a dividend of 17% on share capital to the General Meeting, unchanged from the previous year.

“Fiscal year 2023 again proved to be challenging due to the persistently difficult geopolitical situation and uncertainty regarding further economic developments. Nevertheless, Neue Bank was able to achieve a gratifying inflow of net new funds in the amount of CHF 240.3 million, which was significantly higher than in the previous year. Consequently, assets under management also rose from CHF 5.8 billion to CHF 6.0 billion, even though the increase was dampened by the negative exchange rate development of the US dollar and the euro against the Swiss franc,” says Prof. Dr. Manuel Ammann, Chairman of the Board of Directors of Neue Bank.

## **Growth and good operating performance**

Neue Bank continued to achieve organic growth last year. The investments made in recent years to implement the strategy combined with process optimisations were continued in fiscal year 2023. Despite the higher operating and personnel expenses associated with these efforts, the bank achieved a good operating result and significantly increased its gross operating profit by 17.7% to CHF 11.1 million (previous year CHF 9.5 million excluding one-off effects).

At CHF 34.5 million, operating income also showed a gratifying increase of 13.5% compared to the previous year (excluding one-off effects). Net interest income at CHF 12.1 million (+43.5%) and income from financial transactions at CHF 6.5 million (+21.5%) were especially positive. As a result of client activity that continued to be subdued, commission and fee income declined slightly to CHF 15.9 million (-3.7%). Operating expenses, which at CHF 23.4 million were 11.6% higher than in the previous year but remained below budget, were influenced by project costs for further process optimisation and efficiency improvements. Due to these forward-looking expenses for the further development of the bank, the cost/income ratio amounted to 67.7% (previous year 64.1%). Net profit amounted to CHF 8.2 million and was 6.5% lower than in the previous year due to value adjustments.

The Board of Directors is proposing that the General Meeting adopt a dividend of 17% on share capital, unchanged from the previous year. CHF 1.4 million is to be allocated to other reserves, meaning that Neue Bank's equity capital will amount to CHF 143.5 million. With a Tier 1 ratio of 31.3% (previous year 29.5%), the capital base is far above the regulatory requirements. This makes Neue Bank one of the best-capitalised banks in the industry and stands for a high level of security and stability.



**Neue  
Bank**

### **Election of new Chairman of the Board of Directors**

Prof. Dr. Manuel Ammann will step down as Chairman of the Board of Directors at the General Meeting due to his election as President of the University of St. Gallen. The Members of the Board of Directors are proposing Hansruedi K ng for election as his successor. Hansruedi K ng studied business and economics and has an outstanding track record in the financial sector. He worked for PostFinance Ltd in Bern, one of Switzerland's largest financial institutions, for a total of 21 years. He served as the CEO of PostFinance since 2012, and his many years of experience and high level of expertise will be very valuable for the successful further development of Neue Bank.

### **Implementation of Strategy 2025 proceeding according to plan**

With its Strategy 2025, Neue Bank has formulated four goals as the basis for sustainable and positive development: growth, increased efficiency, sustainability put into practice, and compliance with the defined risk appetite. Implementation is proceeding according to plan. In 2023, Neue Bank further developed its range of services in a targeted manner and expanded its sales capacity. At the same time, increased digitalisation is leading to more efficient processes. Neue Bank continued on its growth path in 2023 with an unchanged risk appetite – this stands for security. At the same time, it continued to pursue its emphasis on sustainability.

### **Modern client zone and Neue Bank as an employer defined by partnership**

How the bank sees itself as a modern private bank is demonstrated impressively in the new client zone. The meeting rooms are equipped with the latest technology, giving client advisers rapid access to all data and information. At the same time, everything looks harmonious and elegant. The work area for employees was also enlarged in 2023. So that Neue Bank is the first-choice employer for current and future employees, investments were made in a multifaceted and supportive working environment. With a new modern office concept, Neue Bank promotes team spirit and accelerates the transfer of knowledge. Flexible working hours are an important component, as are work-life balance and the targeted development of young talents and competent specialists.

### **Outlook**

“In 2024, it will once again be important to keep an eye on economic and political developments beyond the immediate market developments. Economic and geopolitical uncertainty continues to be high and will be exacerbated by the US elections in November. A key question in the coming months will be whether the recent decline in inflation is sustainable and, accordingly, whether the cycle of interest rate hikes has come to an end. Although there are numerous imponderables, we are looking to the future with optimism and confidence. Thanks to our excellent capitalisation and forward-looking approach, Neue Bank has a strong foundation and is ideally positioned to benefit from growth opportunities. Neue Bank is the private bank with the special service – even in uncertain times. We design tailored asset management solutions at the highest level for discerning private clients and intermediaries,” says Thomas Hemmerle, Member of the Executive Board of Neue Bank, summarising the positive outlook.

### **Contact for enquiries**

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# Statement of Assets and Liabilities as at December 31, 2023

## Assets

in thousands CHF	31.12.23	31.12.22	Change absolute	Change in %
<b>Liquid Funds</b>	<b>182'192</b>	188'494	-6'302	-3.3
<b>Due from Banks</b>	<b>239'850</b>	404'338	-164'488	-40.7
a) on demand	102'840	187'008	-84'168	-45.0
b) other claims	137'010	217'330	-80'320	-37.0
<b>Due from clients</b>	<b>373'854</b>	357'732	16'122	4.5
of which mortgages	281'535	257'839	23'696	9.2
<b>Bonds and other fixed interest securities</b>	<b>203'229</b>	211'350	-8'121	-3.8
a) money market instruments	23'862	31'062	-7'200	-23.2
aa) of public authority issuers	18'868	31'062	-12'194	-39.3
bb) of other issuers	4'994	0	4'994	n.a.
b) bonds	179'367	180'288	-921	-0.5
aa) of public authority issuers	17'016	17'591	-575	-3.3
bb) of other issuers	162'351	162'697	-346	-0.2
<b>Shares and other non - fixed interest securities</b>	<b>3'158</b>	4'313	-1'155	-26.8
<b>Fixed assets</b>	<b>21'519</b>	20'268	1'251	6.2
<b>Other assets</b>	<b>13'209</b>	8'322	4'887	58.7
<b>Accrued and deferred items</b>	<b>3'309</b>	3'549	-240	-6.8
<b>Total assets</b>	<b>1'040'320</b>	1'198'366	-158'046	-13.2

## Liabilities

in thousands CHF	31.12.23	31.12.22	Change absolute	Change in %
<b>Due to banks</b>	<b>43'108</b>	<b>47'010</b>	<b>-3'902</b>	<b>-8.3</b>
a) on demand	38'278	44'277	-5'999	-13.5
b) with agreed maturity or period of notice	4'830	2'733	2'097	76.7
<b>Due to clients</b>	<b>816'569</b>	<b>984'833</b>	<b>-168'264</b>	<b>-17.1</b>
a) other liabilities	816'569	984'833	-168'264	-17.1
aa) on demand	245'912	647'148	-401'236	-62.0
bb) with agreed maturity or period of notice	570'657	337'685	232'972	69.0
<b>Certified liabilities</b>	<b>2'812</b>	<b>1'400</b>	<b>1'412</b>	<b>100.9</b>
of which medium term notes	2'812	1'400	1'412	100.9
<b>Other liabilities</b>	<b>22'291</b>	<b>10'051</b>	<b>12'240</b>	<b>121.8</b>
<b>Accrued and deferred items</b>	<b>3'041</b>	<b>2'530</b>	<b>511</b>	<b>20.2</b>
<b>Provisions</b>	<b>2'153</b>	<b>2'417</b>	<b>-264</b>	<b>-10.9</b>
a) tax provisions	1'973	2'317	-344	-14.8
b) other provisions	180	100	80	80.0
<b>Provisions for general banking risks</b>	<b>14'800</b>	<b>15'980</b>	<b>-1'180</b>	<b>-7.4</b>
<b>Capital subscribed</b>	<b>40'000</b>	<b>40'000</b>	<b>0</b>	<b>0.0</b>
<b>Capital surplus</b>	<b>87'154</b>	<b>85'254</b>	<b>1'900</b>	<b>2.2</b>
a) legal reserves	8'000	8'000	0	0.0
b) other reserves	79'154	77'254	1'900	2.5
<b>Surplus carried forward</b>	<b>191</b>	<b>122</b>	<b>69</b>	<b>56.6</b>
<b>Net income</b>	<b>8'201</b>	<b>8'769</b>	<b>-568</b>	<b>-6.5</b>
<b>Total liabilities</b>	<b>1'040'320</b>	<b>1'198'366</b>	<b>-158'046</b>	<b>-13.2</b>

## Off balance sheet transactions

in thousands CHF	31.12.23	31.12.22	Change absolute	Change in %
<b>Contingent liabilities</b>	<b>13'145</b>	<b>10'860</b>	<b>2'285</b>	<b>21.0</b>
of which liabilities arising from guarantees and performance contracts as well as liabilities arising from collateralizations	13'145	10'860	2'285	21.0
<b>Credit risks</b>	<b>6'307</b>	<b>1'980</b>	<b>4'327</b>	<b>218.5</b>
of which irrevocable commitments	6'307	1'980	4'327	218.5
<b>Derivative financial instruments</b>				
- volume of contracts	1'253'884	1'170'022	83'862	7.2
- positive replacement values	12'393	7'560	4'833	63.9
- negative replacement values	20'601	8'814	11'787	133.7
<b>Fiduciary transactions</b>	<b>392'402</b>	<b>403'502</b>	<b>-11'100</b>	<b>-2.8</b>

# Income statement from 2023

in thousands CHF	2023	2022	Change absolute	Change in %
<b>Interest income</b>				
Interest earned	27'104	10'222	16'882	165.2
of which from fixed interest securities	3'673	2'110	1'563	74.1
Interest paid	-15'033	-1'811	-13'222	n.a.
<b>Net interest income</b>	<b>12'071</b>	<b>8'411</b>	<b>3'660</b>	<b>43.5</b>
<b>Income from securities</b>	<b>6</b>	<b>37</b>	<b>-31</b>	<b>-83.8</b>
a) shares and other non-fixed interest securities	6	37	-31	-83.8
of which from trading activities	1	16	-15	-93.8
<b>Commission and fee income</b>				
Commission and fee income	17'698	18'707	-1'009	-5.4
a) loan related commission income	187	97	90	92.8
b) securities and investment related income	16'012	17'071	-1'059	-6.2
c) other commission and fee income	1'499	1'539	-40	-2.6
Commission paid	-1'798	-2'193	395	-18.0
<b>Net commission and fee income</b>	<b>15'900</b>	<b>16'514</b>	<b>-614</b>	<b>-3.7</b>
<b>Income from financial transactions</b>	<b>6'533</b>	<b>5'375</b>	<b>1'158</b>	<b>21.5</b>
of which from trading activities	6'300	5'680	620	10.9
<b>Other ordinary income</b>	<b>22</b>	<b>2'359</b>	<b>-2'337</b>	<b>-99.1</b>
a) income from real estate	15	59	-44	-74.6
b) other ordinary income	7	2'300	-2'293	-99.7
<b>Business expenses</b>	<b>-23'391</b>	<b>-20'954</b>	<b>-2'437</b>	<b>11.6</b>
a) personnel expenses	-14'038	-13'268	-770	5.8
of which:				
aa) salaries	-11'434	-10'968	-466	4.2
bb) social levies and pension contribution	-2'224	-2'084	-140	6.7
of which for pension contributions	-1'243	-1'179	-64	5.4
b) administrative expenses	-9'353	-7'686	-1'667	21.7
<b>Gross operating profit</b>	<b>11'141</b>	<b>11'742</b>	<b>-601</b>	<b>-5.1</b>
Amortisation of intangible assets and depreciation of fixed assets	-795	-804	9	-1.1
Other ordinary expenses	-267	-241	-26	10.8
Allowance for impaired receivables and additions to provisions for contingent liabilities and credit risks	-2'382	-904	-1'478	163.5
<b>Result of ordinary operations</b>	<b>7'697</b>	<b>9'793</b>	<b>-2'096</b>	<b>-21.4</b>
Income taxes	-676	-1'024	348	-34.0
Release of provisions for general banking risks	1'180	0	1'180	n.a.
<b>Net profit</b>	<b>8'201</b>	<b>8'769</b>	<b>-568</b>	<b>-6.5</b>