Your Swiss Bank

Interim Report 2022

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Key facts and figures

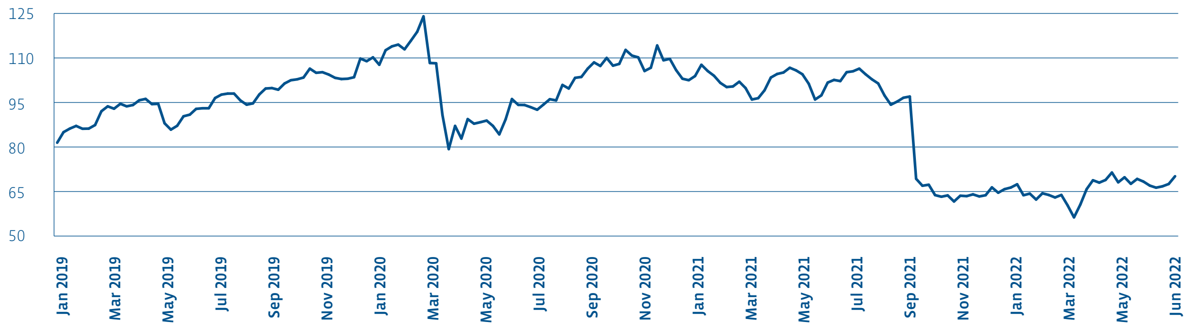
Key figures

CHF in millions	H1 2022	H2 2021	H1 2021	H2 2020	H1 2020
Net interest income	**176.7**	178.7	178.0	185.6	189.4
Commission and fee income	**73.3**	72.5	57.9	62.3	60.0
Net revenues	**250.0**	251.1	235.9	247.9	249.3
Provision for losses	**–15.0**	–25.9	–14.4	–26.2	–30.2
Total operating expenses	**–122.0**	–122.2	–124.1	–122.1	–125.3
Net income	**90.6**	82.8	78.7	78.8	74.1
Total assets	**7,247**	7,095	7,124	7,244	7,275
Net financing receivables	**6,434**	6,207	6,206	6,293	6,368
Personal loans	**2,338**	2,292	2,303	2,408	2,531
Auto leases and loans	**2,920**	2,820	2,823	2,853	2,816
Credit cards	**1,110**	1,030	1,025	970	983
Other	**66**	65	55	62	38
Shareholders’ equity	**1,176**	1,200	1,098	1,127	1,055
Return on equity (in %, annualised)	**15.3**	14.4	14.2	14.4	13.8
Net interest margin (in %, annualised)	**5.5**	5.7	5.6	5.8	5.8
Cost / income ratio (in %)	**48.8**	48.6	52.6	49.2	50.3
Tier 1 capital ratio (in %)	**18.8**	18.9	18.3	17.7	17.0
Employees (full-time equivalents)	**916**	916	934	928	946
Credit rating (S&P)	**A–**	A–	A–	A–	A–
Basic earnings per share (in CHF)	**3.09**	2.82	2.68	2.69	2.52
Book value per share (in CHF)	**39.20**	40.00	36.60	37.6	35.2
Share price (in CHF)	**68.20**	66.45	103.70	107.20	92.55
Market capitalisation	**2,046**	1,993	3,111	3,216	2,777

For a glossary of key financial indicators including alternative performance measures please see www.cembra.ch/financialreports.

Key facts and figures

Share price Cembra



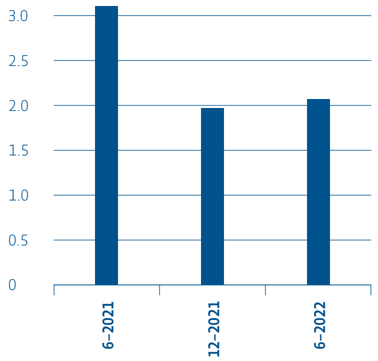
Facts

CHF

2,046,000,000

was the market capitalisation of Cembra by the end of June 2022

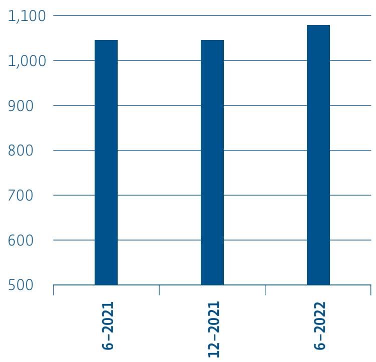
in billion CHF



1,090,000

number of credit cards issued by Cembra

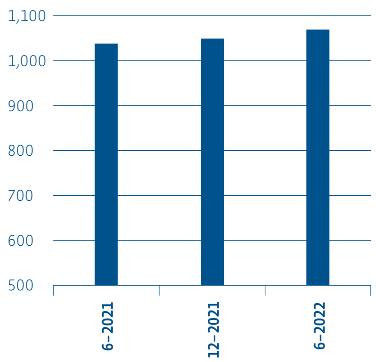
in 1,000



1,065,000

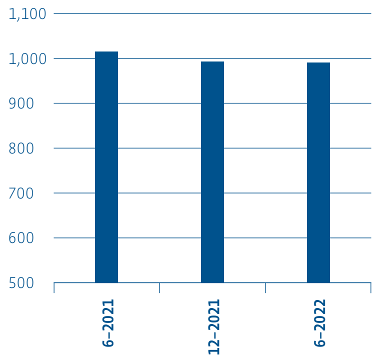
customers trust Cembra as their preferred partner

in 1,000



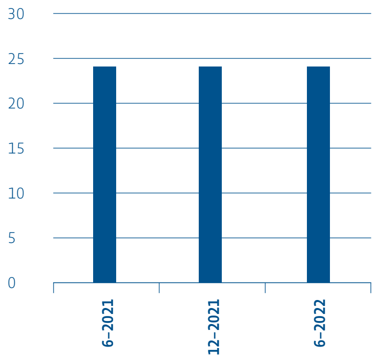
993

employees from 42 different nations work for Cembra (916 FTE)



24

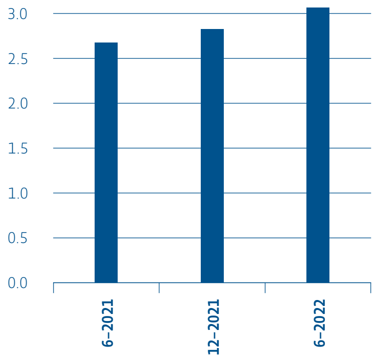
sales area managers serve about 3,800 car dealers



3.09

were the earnings per share (EPS) of Cembra in the first half of 2022

in CHF



Dear Shareholders

It is our pleasure to inform you about profitable growth in all business areas of Cembra in the first six months of 2022. Our net income increased by 15% to CHF 90.6 million, or CHF 3.09 per share, compared to the first six months of 2021. Net revenues increased by 6%, and commission and fee income increased by 27% due to growth in the credit card and buy now pay later (BNPL) businesses. The loss performance was very strong at 0.5%. As a result, return on equity came in at 15.3%, and the Tier 1 capital ratio stood at 18.8%.

In the first half of the year, we turned in an excellent result and also successfully embarked on our transformation. We grew profitably in all areas, benefiting from the rebound effect after the lifting of restrictions and also from our commercial efforts. We made significant progress in implementing our strategy and reached an important milestone with the launch of our proprietary credit card Certo!. We will continue to focus on our transformation programme aimed at boosting operational excellence and accelerating growth.

Strong business performance
The Group's total net financing receivables at 30 June 2022 amounted to CHF 6.4 billion, an increase of 4% compared with 31 December 2021. In the personal loans business, receivables increased by 2% to CHF 2.3 billion in the first six months of 2022. As a result of the lower asset base compared to the first half of last year and the continued competitive environment, interest income in the personal loans business decreased by 6% to CHF 80.7 million, with a yield of 6.8%.

Net financing receivables in auto leases and loans increased by 4% to CHF 2.9 billion in the reporting period. Interest income was stable at CHF 64.9 million, with a yield of 4.5%.

In the credit cards business, net financing receivables rose by 8% to CHF 1.1 billion. Interest income was up 6% to CHF 43.7 million, with a yield of 8.1%. Transaction volumes in the first six months increased by 18% year on year. The number of cards issued was up 4% year on year to 1,090,000 at 30 June 2022.

Swissbilling grew significantly in the buy now pay later (BNPL) business with an increase of billing volumes by 62% to CHF 191 million and fee income of CHF 6.5 million (+35%).

Commercial efforts and end of restrictions drive up revenues
Total net revenues increased by 6% to CHF 250.0 million. Interest income declined slightly by 1% to CHF 188.9 million as a result of the lower asset base in personal loans. Interest expense was 7% lower, coming in at CHF 12.3 million in the first half of 2022.

Commission and fee income increased by 27% to CHF 73.3 million, as Covid-19-related restrictions were lifted. Income from credit card fees increased by 42% year on year. The share of net revenues generated from commissions and fees increased to 29%, up from 25% at 30 June 2021.

Total operating expenses decreased by 2% to CHF 122.0 million. Personnel expenses were down 2% to CHF 67.1 million mainly reflecting the lower number of employees. General and administrative expenses declined by 1% to CHF 54.9 million. This resulted in a cost/income ratio of 48.8%, compared with 52.6% for the year-earlier period.

Excellent loss performance
Cembra once again recorded an excellent loss performance. Provisions for losses in the first half of 2022 significantly benefited from prudent and cautious credit risk policies applied during the pandemic, especially in the area of personal loans and auto leases and loans. Provisions for losses slightly increased by CHF 0.6 million or 4% to CHF 15.0 million, resulting in a loss rate of 0.5% for the first six months of 2022 (H1 2021: 0.5%, and 0.7% adjusted for a loan sale). The non-performing-loans (NPL) ratio amounted to 0.6% (H1 2021: 0.7%). The rate of over-30-days past due financing receivables stood at 1.6% (H1 2021: 1.8%). Cembra expects the loss rate to gradually normalise over the coming years.

Stable funding
In the first six months of 2022, the Group's diversified funding portfolio increased by 3% to CHF 5.9 billion, with a funding mix of 56% deposits and 44% non-deposits. The weighted average duration decreased slightly to 2.3 years and the period-end funding cost amounted to 46 basis points (31 December 2021: 44 basis points).

Strong capital position
Cembra remains very well capitalised, with a strong Tier 1 capital ratio of 18.8% (31 December 2021: 18.9%). Shareholders' equity decreased by 2% to CHF 1.176 billion after Cembra paid out the dividend of CHF 113 million for the financial year 2021 in April 2022.

Strategy execution progressing well
Implementation of Cembra's key strategic initiatives – aimed at achieving operational excellence, business acceleration, growth and cultural transformation – were progressing well in the first six months of the year. New partnerships were signed with the retail chain SPAR and Zurich Insurance Switzerland, and the existing partnerships with Conforama and FNAC were strengthened. In April 2022, Cembra launched a new credit card app to strengthen its customer relationships and increase efficiency. The recent successful launch of the new credit card range Certo! was another key step in the implementation of the bank's strategy.

Further progress on sustainability confirmed
In recognition of the bank's progress in enhancing its governance, its socially responsible approach and its environmental stewardship, MSCI ESG upgraded Cembra's rating to AAA, and Sustainalytics reaffirmed Cembra's "Low ESG Risk" rating in May 2022.

Outlook
Cembra currently expects to deliver a resilient business performance in 2022, reiterating its ROE target of 13–14%. As previously announced, the credit card transition and the investments into the IT transformation will have an impact on revenues and costs. Cembra expects a continued solid loss performance for 2022 and confirms its mid-term targets.

On behalf of the Board of Directors and Management, we would like to thank our customers, shareholders and business partners for the trust they have placed in us. We would also like to express our particular gratitude to our employees, who shape the success of our Group with their expertise, dedication and engagement.

Dr Felix Weber	**Holger Laubenthal**
Chairman	CEO

Management Report

Significant developments

On 17 January and 24 February 2022, we announced that two members of the Management Board, Emanuel Hofacker (General Counsel) and Niklaus Mannhart (Chief Operating Officer), will leave the Bank by end of June 2022 and the end of August 2022, respectively.

On 21 April 2022, Cembra held its ninth Annual General Meeting as a SIX-listed company, in Zurich. Due to Covid-19, shareholders did not attend the meeting in person. The following members of the Board of Directors were re-elected for a further one-year term of office: Felix Weber (Chairman), Thomas Buess, Susanne Klöss-Braekler and Monica Mächler. Jörg Behrens, Marc Berg and Alex Finn were newly elected to the Board of Directors. The shareholders approved an increased dividend of CHF 3.85 per share.

On 19 May 2022, we announced the extension of our credit card partnerships with Conforama and FNAC. Additionally, Cembra announced to issue a new credit card in collaboration with the retail chain SPAR as of summer 2022.

On 30 May 2022, we announced that in recognition of the Bank's recent progress in the area of sustainability, MSCI had upgraded Cembra's ESG rating to AAA, while Sustainalytics reaffirmed Cembra's "Low ESG Risk" rating.

On 1 June 2022, Cembra and Zurich Insurance Company AG entered into a cooperation agreement that will benefit customers on both sides. The two companies have simplified the vehicle insurance process, offering a new service package for car and van financing customers.

On 1 July 2022, Cembra launched Certo! – a new range of credit cards offering money back rewards and other services. The new range will initially comprise two cards, the Certo! One Mastercard, which is available to anyone, and the Certo! Mastercard for existing Cembra customers with a Cumulus-Mastercard.

On 6 July 2022, Cembra announced two new members to its Management Board. Alona Eiduka was appointed Chief Operating Officer per 1 July 2022. Eric Anliker will join Cembra as General Counsel on 1 September 2022.

Macroeconomic environment

We operate exclusively in Switzerland and our financial position and revenues are strongly influenced by domestic macroeconomic factors, especially gross domestic product, the unemployment rate and interest rates. We have very limited exposure to foreign currencies.

Swiss gross domestic product

Growth in Switzerland's gross domestic product (GDP) is an important indicator for the Group. Swiss GDP increased by 0.5% in the first quarter of 2022, compared with an increase of 3.7% in 2021. Economists expect GDP to increase by 2.6% (SECO June 2022) in the 2022 financial year.

Interest rates

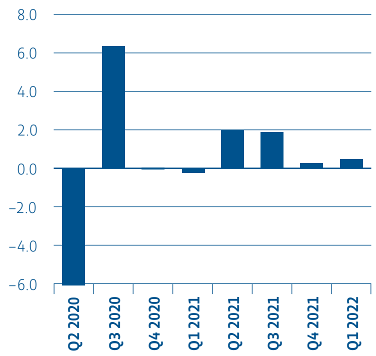
Interest rates are a key indicator for the Group's funding. In the first half of 2022, Swiss-franc interest rates increased up to 150 basis points for certain tenors, and a major part of the interest curve moved into positive territory. The main reasons for higher interest rates were the higher inflation and the start of the interest rate hiking cycle by central banks. The Swiss National Bank (SNB) raised its SNB policy rate by half a percentage point from -0.75% to -0.25% in June 2022. The market currently expects more interest rate hikes from the SNB in the second half of the year.

Unemployment rate

The unemployment rate serves as an important indicator for the credit risk profile of the Group's customers. The unemployment rate in Switzerland was 2.0% in June 2022. This figure was lower than in the previous year, when the unemployment rate was 3.0% on average and 2.6% at year-end.

Quarterly Swiss GDP

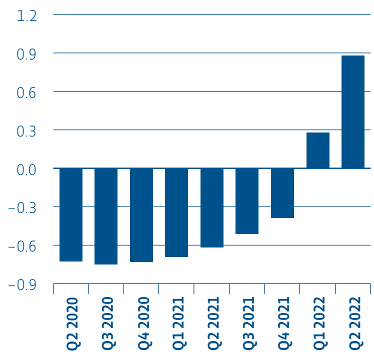
Change versus previous quarter (in %)



Source: SECO

CHF 3-years swap rate

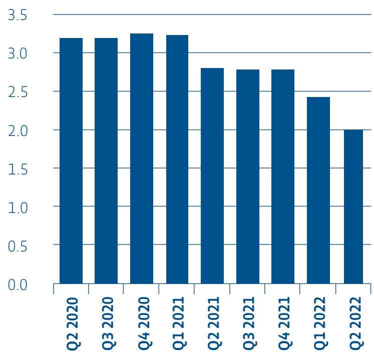
in %



Source: Bloomberg

Unemployment rate in Switzerland

in %



Source: SECO

Product markets

Consumer loan market

In the first six months of 2022, the Swiss consumer loan market continued to grow. According to the Swiss central credit information bureau (ZEK), the Swiss consumer loan market increased by 4%, from CHF 7.840 billion at 31 December 2021 to CHF 8.115 billion in outstanding assets at 30 June 2022. In a competitive environment, the Group had an estimated market share of approximately 40% of outstanding consumer loans.

Auto market

The Swiss auto market continued to experience a reduced availability of new cars. According to “auto-schweiz” statistics (the association of official Swiss car importers), about 109,000 new cars were registered in the first six months of 2022, a decrease of 12% versus the first half of 2021. About 366,000 used cars were sold in Switzerland according to auto-i-dat AG (an independent provider of automotive market data); this represents a 9% decrease compared with the first six months of 2021 (400,000). The Group estimated its auto leasing market share to be about 21% of total leasing assets outstanding as of June 2022.

Credit card market

The growth trend continued in the credit card market in 2022. Based on Swiss National Bank statistics from April 2022, the number of credit cards issued in Switzerland grew by 5% year-on-year to 8.4 million. The number of transactions increased by 24% year-on-year for the first four months of 2022. Overall, credit card transaction volumes increased by 31% year-on-year to CHF 16.5 billion in the first four months of 2022. The number of transactions conducted via near-field communications (NFC) increased by 31% year-on-year.

The Group’s credit cards business grew, with the number of cards increasing by 4% year-on-year, to about 1,090,000 in the reporting period. The market share, based on the number of credit cards in circulation, was 13%, and the market share of transactions conducted via near-field communications (NFC) amounted to 20%.

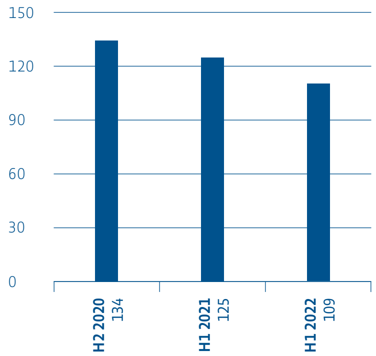
Buy now pay later market

E-commerce sales in Switzerland amounted to around CHF 14bn in 2021 and are estimated to increase further in the current year with buy now pay later (BNPL) representing about 8-11% of total e-commerce sales.

Via its subsidiary Swissbilling, Cembra has an estimated share of 10 – 20% of the BNPL market. E-commerce (online) volume at Swissbilling grew by 140% in the first half of 2022 compared to the previous reporting period, mainly driven by the contribution from new partners. Accepted transactions at Swissbilling were 490,000 in the first half of 2022, this represents an increase of +65% year-on-year.

New car registrations in Switzerland

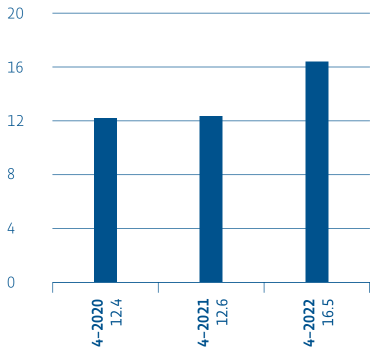
in 1,000



Source: auto-schweiz

Transaction volume Swiss credit cards

CHF in billions



Source: SNB

Balance sheet analysis

CHF in millions	**30 June 2022**	31 December 2021	Change	as %
Assets				
Cash and cash equivalents	**486**	545	– 59	– 11
Net financing receivables	**6,434**	6,207	227	4
Personal loans	**2,338**	2,292	46	2
Auto leases and loans	**2,920**	2,820	100	4
Credit cards	**1,110**	1,030	80	8
Other	**66**	65	1	2
Other assets	**327**	344	– 16	– 5
Total assets	**7,247**	**7,095**	**151**	**2**
Liabilities and equity				
Deposits and debt	**5,880**	5,691	189	3
Deposits	**3,388**	3,199	188	6
Debt	**2,493**	2,492	0	0
Other liabilities	**191**	204	– 13	– 6
Total liabilities	**6,071**	**5,895**	**176**	**3**
Shareholders' equity	**1,176**	1,200	– 24	– 2
Total liabilities and shareholders' equity	**7,247**	**7,095**	**151**	**2**

Net financing receivables amounted to CHF 6,434 million as at 30 June 2022, an increase of 4%, or CHF 227 million, compared with year-end 2021. The increase was mainly driven by the lifting of pandemic restrictions in Switzerland.

At the end of June 2022, the Group's personal loans accounted for 37% of net financing receivables (31 December 2021: 37%), auto leases and loans made up 45% (31 December 2021: 45%), and the credit cards business accounted for 17% (31 December 2021: 17%).

As at 30 June 2022, net financing receivables from personal loans amounted to CHF 2,338 million, 2% higher than at year-end 2021. Auto leases and loans increased by 4% to CHF 2,920 million compared with CHF 2,820 million at the end of 2021. Credit cards financing receivables increased by 8% from CHF 1,030 million to 1,110 million in the reporting period. Other net financing receivables stood at CHF 66 million (31 December 2021: CHF 65 million) and included the Swissbilling business.

Funding
The Group maintained its funding diversification in the reporting period. The deposit base increased from CHF 3,199 million at 31 December 2021 to CHF 3,388 million at 30 June 2022, primarily due to a 12% increase in the institutional deposit base and a decrease of 6% in the retail deposit base. The Group's non-deposit debt remained stable at CHF 2,493 million at 30 June 2022 (31 December 2021: CHF 2,492 million). In March 2022 the Group paid back a CHF 250 million auto lease asset backed security (ABS) and issued an unsecured bond (rated A-) amounting to CHF 250 million in May 2022.

Equity
Total shareholders' equity decreased by CHF 24 million, from CHF 1,200 million to CHF 1,176 million at 30 June 2022. The decrease was mainly attributable to the dividend of CHF 113 million, which was paid in April 2022 and was partly offset by net income of CHF 90.6 million for the first six months of 2022.

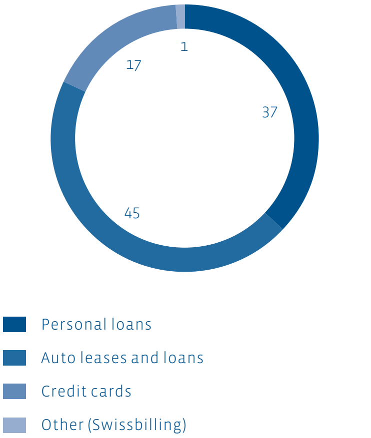
Capital position

CHF in millions	**30 June 2022**	31 December 2021	Change	as %
Risk-weighted assets	**5,791**	5,600	191	3
Tier 1 capital	**1,090**	1,057	33	3
Tier 1 ratio	**18.8%**	**18.9%**		

Risk-weighted assets increased by 3% to CHF 5,791 million at 30 June 2022 compared with CHF 5,600 million at 31 December 2021. This increase was largely in line with the trend in net financing receivables. Tier 1 capital increased by CHF 33 million, or 3%, to CHF 1,090 million, mainly as a result of the statutory net income generated in the first six months of 2022, adjusted for the expected future dividend payment. This resulted in a Tier 1 capital ratio of 18.8% at 30 June 2022, which is significantly above the regulatory requirement of 11.2%.

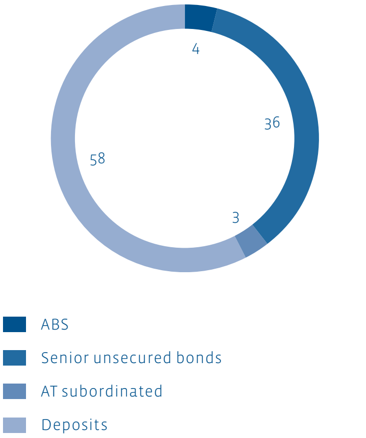
Net financing receivables

in %



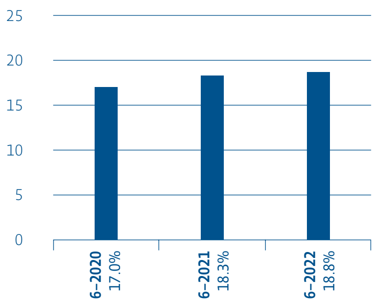
Funding structure

in %



Tier 1 capital ratio

in %

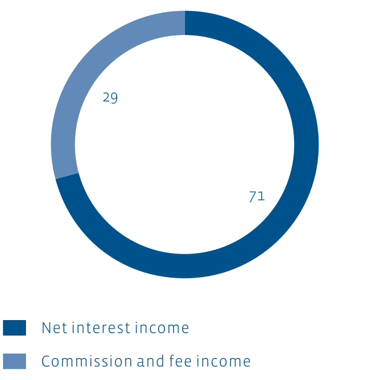


Profit and loss analysis

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Interest income	**188.9**	191.2	– 2.3	– 1
Interest expense	**– 12.3**	– 13.2	– 0.9	– 7
Net interest income	**176.7**	**178.0**	**– 1.4**	**– 1**
Commission and fee income	**73.3**	57.9	15.4	27
Net revenues	**250.0**	**235.9**	**14.1**	**6**
Provision for losses on financing receivables	**– 15.0**	**– 14.4**	**0.6**	**4**
Compensation and benefits	**– 67.1**	– 68.5	– 1.4	– 2
General and administrative expenses	**– 54.9**	– 55.6	– 0.7	– 1
Total operating expenses	**– 122.0**	**– 124.1**	**– 2.1**	**– 2**
Income before income taxes	**113.0**	**97.4**	**15.6**	**16**
Income tax expense	**– 22.4**	– 18.7	3.7	20
Net income	**90.6**	**78.7**	**11.9**	**15**
Other comprehensive income / (loss)	**0.2**	2.1	– 1.9	– 93
Comprehensive income	**90.8**	**80.8**	**10.0**	**12**

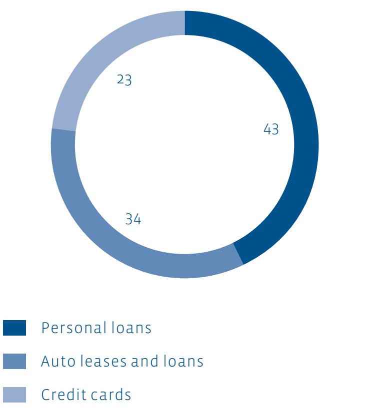
Net revenues

in %



Interest income

in % (excluding "other")



Interest income

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Personal loans	**80.7**	85.6	–5.0	–6
Auto leases and loans	**64.9**	65.1	–0.1	–0
Credit cards	**43.7**	41.3	2.4	6
Other	**–0.4**	–0.7	–0.4	–50
Total	**188.9**	**191.2**	**–2.3**	**–1**

Overall, the contribution of personal loans to interest income (excluding other interest income) decreased to 43% from 44% in the first six months of 2021. Auto leases and loans remained unchanged at 34% and credit cards increased to 23% from 22%, compared to the year-earlier period.

Total interest income decreased by 1%, or CHF 2.3 million, to CHF 188.9 million in the first half of 2022. Interest income from personal loans decreased by CHF 5.0 million, or 6%, to CHF 80.7 million due to lower opening receivables and a competitive environment. The yield declined to 6.8% from 7.1% compared to the year-earlier reporting period. Interest income from the auto leases and loans business decreased slightly by 0.1 million to 64.9 million in the first six months of 2022. The yield decreased slightly to 4.5% (30 June 2021: 4.6%). Interest income from credit cards increased by CHF 2.4 million, or 6% to CHF 43.7 million in the reporting period. The yield decreased slightly to 8.1% (30 June 2021: 8.2%). Other interest income included CHF 0.4 million in expenses from the negative interest rate on the cash held with the Swiss National Bank and other institutions.

Cost of funds

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Interest expense on ABS	**0.4**	0.7	–0.3	–36
Interest expense on deposits	**5.5**	6.5	–1.1	–16
Interest expense on debt	**6.4**	6.0	0.4	6
Total	**12.3**	**13.2**	**–0.9**	**–7**

The overall cost of funds decreased by 7% to CHF 12.3 million in the first six months of 2022. Interest expense on auto lease asset-backed securities (ABS) decreased by 36% to CHF 0.4 million. Interest expense on deposits decreased to CHF 5.5 million, or by 16% compared with the first six months of 2021. Total interest expense on non-deposit debt increased by CHF 0.4 million, or 6%, to CHF 6.4 million in the first half of 2022.

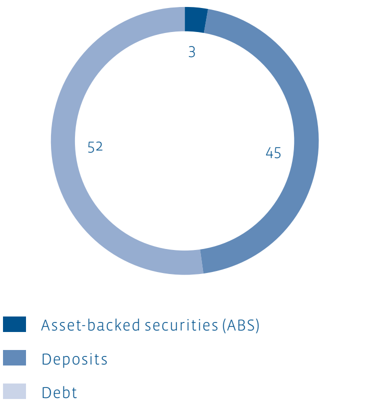
Commission and fee income

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Insurance	**11.9**	11.9	0.0	0
Credit cards	**47.5**	33.4	14.0	42
Loans and leases	**6.9**	7.5	–0.6	–8
Other	**7.0**	5.0	2.0	40
Total	**73.3**	**57.9**	**15.4**	**27**

Commission and fee income increased by CHF 15.4 million, or 27%, from CHF 57.9 million to CHF 73.3 million in the first six months of 2022. Insurance income remained unchanged at CHF 11.9 million compared to the first six months of 2021. Fee income on credit cards increased by CHF 14.0 million, or 42%, to CHF 47.5 million. The increase was driven by significantly higher spending due to higher consumer confidence, as well as lifting of travel restrictions since the first quarter of 2022. Fees from loans and leases decreased by CHF 0.6 million to CHF 6.9 million primarily due to lower fees for handling post payments. Other fees increased by 40% to CHF 7.0 million, mainly driven by CHF 6.5 million fee income from Swissbilling.

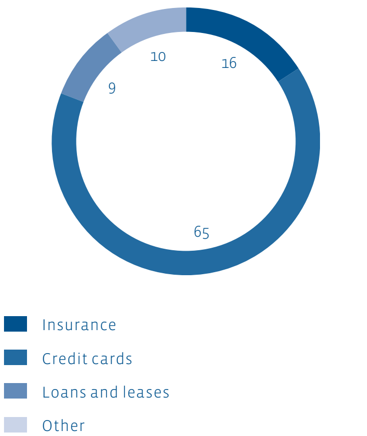
Cost of funds

in %



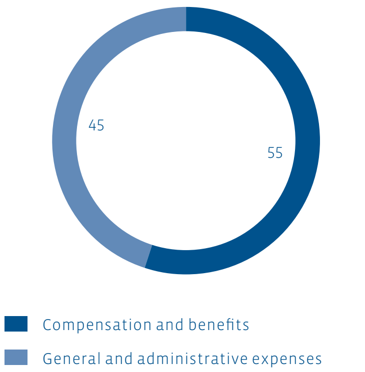
Commission and fee income

in %



Operating expenses

in %



Provision for losses on financing receivables

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Provision for losses on personal loans	**7.8**	4.5	3.2	71
Provision for losses on auto leases and loans	**1.0**	5.0	– 4.1	– 81
Provision for losses on credit cards	**4.1**	4.3	– 0.1	– 3
Provision for losses on other	**2.2**	0.6	1.6	N / A
Total	**15.0**	**14.4**	**0.6**	**4**

The Group's provision for losses on financing receivables increased by CHF 0.6 million to CHF 15.0 million in the first six months of 2022 compared with CHF 14.4 million in the same reporting period in 2021. Provision for losses on personal loans increased by CHF 3.2 million to CHF 7.8 million. This rise was driven by the one-off effect related to the sale of previously written-off financing receivables to a third party in the first half of 2021. On auto leases and loans, the provision for losses decreased by CHF 4.1 million to CHF 1.0 million, predominantly driven by increased recoveries following prudent write-off procedures during the Covid-19 pandemic. The provision for losses on cards decreased by CHF 0.1 million to CHF 4.1 million. Other provision for losses increased by CHF 1.6 million to CHF 2.2 million, due to the BNPL growth related to the strategy execution. The Group's loss rate for the first half-year 2022 was 0.5% of financing receivables, stable comparing with the previous year. The delinquency metric of 30 days past due declined to 1.6% at 30 June 2022 (H1 2021: 1.8%). The non-performing-loans (NPL) ratio amounted to 0.6% (H1 2021: 0.7%).

Compensation and benefits

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Compensation and benefits	**67.1**	**68.5**	**– 1.4**	**– 2**

Compensation and benefit expenses decreased by CHF 1.4 million, or 2%, to CHF 67.1 million. The decrease was mainly attributable to lower average FTE.

The Group's average number of employees (FTE) was 916 in the first half of 2022 compared with 931 in the corresponding prior-year period. At 30 June 2022, the number of employees (FTE) remained stable at 916 compared with year-end 2021.

General and administrative expenses

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Professional services	**8.7**	7.9	0.8	11
Marketing	**6.2**	3.9	2.2	57
Collection fees	**5.0**	5.3	– 0.3	– 6
Postage and stationery	**6.1**	4.7	1.4	29
Rental expense under operating leases	**3.6**	3.4	0.2	6
Information technology	**20.0**	20.2	– 0.3	– 1
Depreciation and amortisation	**12.3**	12.5	– 0.2	– 2
Other	**– 6.9**	– 2.4	4.5	187
Total	**54.9**	**55.6**	**– 0.7**	**– 1**

General and administrative expenses declined by CHF 0.7 million, or 1%, from CHF 55.6 million to CHF 54.9 million in the first six months of 2022. Professional services increased by 11% or CHF 0.8 million driven by higher temporary resources related to operational excellence initiatives. Marketing expenses increased by 57% or CHF 2.2 million mainly driven by the new credit card programme in the first half of 2022. Collection fees declined by 6% to CHF 5.0 million and costs for postage and stationery increased by 29% to CHF 6.1 million. Rental expenses increased by 6% to CHF 3.6 million. Depreciation and amortisation decreased by 2% to CHF 12.3 million, as a result of of ending useful life of software assets related to the cashgate acquisition. This was offset by a CHF 4.5 million decrease in other expenses mainly due to lower pension employer contributions as a result of valuation effects on Cembra's pension fund.

The cost/income ratio was 48.8% compared with 52.6% in the previous reporting period. The decrease was predominantly driven by the higher net revenues.

Income tax expense

For the six months ended (CHF in millions)	**30 June 2022**	30 June 2021	Change	as %
Income tax expense	**22.4**	**18.7**	**3.7**	**20**

The Group's income tax expense increased by CHF 3.7 million, or 20%, to CHF 22.4 million in the first six months of 2022 due to a one-off participation relief on dividend income in the prior year 2021. The effective tax rate was 19.8%.

The numbers published in the tables above are in Swiss francs and rounded; therefore rounding differences may occur.

Outlook

Cembra currently expects to deliver a resilient business performance in 2022.

Cembra aims to achieve an ROE of 13–14% in 2022/2023 and above 15% starting in 2024; pay a dividend of at least CHF 3.85 for 2022 and thereafter increasing based on sustainable earnings growth; and will target a Tier 1 capital ratio target of above 17%.

Your Swiss Bank

Interim Financial Report 2022

Interim condensed consolidated financial statements (unaudited)

Interim condensed consolidated statements of income (unaudited)

For the six months ended (CHF in thousands)	Notes	30 June 2022	30 June 2021
Interest income	20	**188,912**	191,204
Interest expense	21	**– 12,257**	– 13,186
Net interest income		**176,654**	**178,018**
Commission and fee income	22	**73,317**	57,869
Net revenues		**249,971**	**235,887**
Provision for losses on financing receivables	**4**	**– 15,030**	**– 14,417**
Compensation and benefits		**– 67,069**	– 68,504
General and administrative expenses	23	**– 54,910**	– 55,577
Total operating expenses		**– 121,980**	**– 124,081**
Income before income taxes		**112,962**	**97,389**
Income tax expense	15	**– 22,361**	– 18,654
Net income		**90,601**	**78,735**
Earnings per share			
Basic	13	**3.09**	2.68
Diluted	13	**3.08**	2.68

See accompanying Notes to the interim consolidated financial statements

Interim condensed consolidated statements of comprehensive income (unaudited)

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Net income	**90,601**	78,735
Net prior service cost, net of tax	**– 570**	– 570
Actuarial gain / (loss), net of tax	**722**	2,621
Total other comprehensive gain / (loss), net of tax	**153**	2,052
Comprehensive income	**90,754**	**80,787**

See accompanying Notes to the interim consolidated financial statements

Interim condensed consolidated statements of financial position (unaudited)

CHF in thousands	Notes	30 June 2022	31 December 2021
Assets			
Cash and cash equivalents		**485,750**	544,769
Financing receivables, net	4	**6,433,914**	6,206,995
Property, plant and equipment, net	5	**27,070**	28,863
thereof operating lease - right-of-use (ROU) assets	5	**21,459**	23,678
Intangible assets, net	6	**66,182**	70,127
Goodwill	7	**156,828**	156,828
Other assets	8	**77,022**	87,717
Total assets [1]		**7,246,765**	**7,095,299**
Liabilities and equity			
Deposits	9	**3,387,586**	3,199,397
Accrued expenses and other payables		**160,204**	167,323
Short-term debt	10	**349,998**	349,994
Long-term debt	10	**2,142,541**	2,142,064
Other liabilities		**25,162**	30,567
thereof operating lease - lease liability	5	**21,736**	23,785
Deferred tax liabilities, net	15	**5,472**	5,678
Total liabilities [1]		**6,070,963**	**5,895,022**
Common shares		**30,000**	30,000
Additional paid in capital (APIC)		**257,790**	257,683
Retained earnings		**931,318**	953,689
Treasury shares		**– 36,903**	– 34,540
Accumulated other comprehensive loss (AOCI)		**– 6,403**	– 6,556
Total shareholders' equity		**1,175,802**	**1,200,276**
Total liabilities and shareholders' equity		**7,246,765**	**7,095,299**

[1] The Group's consolidated assets as at 30 June 2022 and 31 December 2021 include total assets of TCHF 308,967 and TCHF 608,949, respectively, of consolidated variable interest entities (VIEs) that can only be used to settle the liabilities of the VIEs. The Group's consolidated liabilities as at 30 June 2022 and 31 December 2021 include liabilities of the VIEs of TCHF 251,846 and TCHF 503,181, respectively, for which the VIE creditors do not have recourse to Cembra Money Bank AG

See accompanying Notes to the interim consolidated financial statements

Interim condensed consolidated statements of changes in shareholders' equity (unaudited)

CHF in thousands	Common shares	APIC	Retained earnings	Treasury shares	AOCI	Total equity
Balance at 1 January 2021	**30,000**	**259,046**	**902,374**	**– 35,843**	**– 28,555**	**1,127,022**
Net income	–	–	78,735	–	–	**78,735**
Dividends paid	–	–	– 110,181	–	–	**– 110,181**
Change due to share-based compensation	–	– 388	–	977	–	**589**
Treasury shares	–	–	–	– 511	–	**– 511**
Reclassifications from accumulated other comprehensive loss net of deferred tax of TCHF -478 [1]	–	–	–	–	2,052	**2,052**
Balance at 30 June 2021	**30,000**	**258,658**	**870,929**	**– 35,377**	**– 26,503**	**1,097,707**
Balance at 1 January 2022	**30,000**	**257,683**	**953,689**	**– 34,540**	**– 6,556**	**1,200,276**
Net income	–	–	**90,601**	–	–	**90,601**
Dividends paid	–	–	– 112,971	–	–	**– 112,971**
Change due to share-based compensation	–	107	–	644	–	**751**
Treasury shares	–	–	–	– 3,007	–	**– 3,007**
Reclassifications from accumulated other comprehensive loss net of deferred tax of TCHF -25 [1]	–	–	–	–	153	**153**
Balance at 30 June 2022	**30,000**	**257,790**	**931,318**	**– 36,903**	**– 6,403**	**1,175,802**

[1] Reclassifications from accumulated other comprehensive loss related to the Group's pension benefit plan obligation are classified in the income statement under general and administrative expenses

See accompanying Notes to the interim consolidated financial statements

Interim condensed consolidated statements of cash flows (unaudited)

For the six months ended (CHF in thousands)	Notes	30 June 2022	30 June 2021
Cash flows from operating activities			
Net income		**90,601**	78,735
Adjustments to reconcile net income to cash provided from operating activities:			
Provision for losses on financing receivables		**15,030**	14,417
Deferred income taxes		**– 231**	– 135
Depreciation		**1,168**	1,453
Amortisation of intangible assets		**11,142**	11,053
(Decrease)/Increase in accrued expenses and other payables		**– 7,119**	– 43,893
Decrease/(Increase) in tax receivables		**– 9,065**	– 27,964
Decrease/(Increase) in other receivables		**1,558**	3,259
Decrease/(Increase) in deferred expenses		**– 1,080**	– 251
All other operating activities		**– 4,291**	– 2,164
Net cash provided by operating activities		**97,713**	**34,510**
Cash flows from investing activities			
Net (increase)/decrease in financing receivables	24	**– 241,949**	64,044
Proceeds from sale of loss certificates	4	**–**	8,209
Additions to property, plant and equipment		**– 1,593**	110
Additions to intangible assets		**– 5,706**	– 3,989
All other investing activities		**– 1,491**	– 533
Net cash (used for) provided by investing activities		**– 250,739**	**67,841**
Cash flows from financing activities			
Net change in deposits		**188,189**	9,069
Issuance of short-term and long-term debt		**250,000**	–
Repayments of short-term and long-term debt		**– 250,000**	– 50,055
Dividends paid		**– 112,971**	– 110,181
Purchase of treasury shares		**– 3,007**	– 511
All other financing activities		**1,232**	1,905
Net cash provided by (used for) financing activities		**73,442**	**– 149,772**
Net increase/(decrease) in cash and cash equivalents		**– 79,584**	**– 47,421**
Cash and cash equivalents, including restricted cash classified in "Other assets"			
Beginning of the period		**581,245**	630,822
thereof restricted cash		**36,476**	31,820
End of period		**501,662**	**583,399**
thereof restricted cash		**15,912**	30,332
Supplemental disclosure			
Interest paid		**– 9,770**	– 10,037
Income taxes paid		**– 27,173**	– 56,097

See accompanying Notes to the interim consolidated financial statements

Notes to the interim condensed consolidated financial statements (unaudited)

1. Basis of presentation and summary of significant accounting policies

Cembra Money Bank, which is headquartered in Zurich, Switzerland, comprises of Cembra Money Bank AG ("the Bank" or the parent company) and its subsidiaries Swiss Auto Lease 2016-1 GmbH in Liquidation, Swiss Auto Lease 2019-1 GmbH, Swiss Auto Lease 2020-1 GmbH, Swissbilling SA, eny Credit GmbH and Fastcap AG (collectively "the Group"). The Group is a leading provider of financing solutions and services in Switzerland. The main products comprise consumer finance products such as personal loans, auto leases and loans, credit cards as well as saving products.

The accompanying unaudited Interim Condensed Consolidated Financial Statements reflect the Group's financial position, results of operations, shareholders' equity and cash flows and have been prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (CHF).

Certain financial information, which is shown in the annual consolidated financial statements prepared according to US GAAP, is not required to be disclosed for interim reporting purposes. These statements include all adjustments (consisting of normal recurring accruals) that the Group considers necessary to present a fair statement of the Group's financial position, results of operations, shareholders' equity and cash flows. The results reported in these Interim Condensed Consolidated Financial Statements should not be regarded as indicative of results that may be expected for the entire year. They should be read in combination with the Consolidated Financial Statements and notes thereto included in the Consolidated Financial Statements as of and for the years ended 31 December 2021 and 2020.

Preparing financial statements in conformity with US GAAP requires the management to make estimates based on assumptions about future economic and market conditions that affect reported amounts and related disclosures in the financial statements. Although the Group's current estimates take into account current conditions and how management expects them to change in the future, as appropriate, it is reasonably possible that in the reporting period and beyond actual conditions could alter, which could materially affect the Group's results of operations and financial position.

The abbreviation TCHF within these financial statements refers to thousands of Swiss francs. The numbers published in the notes are rounded in thousands of Swiss francs, therefore rounding differences can occur.

2. Accounting changes

Recently issued accounting standards to be effective in future periods

On 16 June 2016, the FASB issued ASU 2016-13 "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which amends the guidance on the impairment of financial instruments. The ASU adds to US GAAP an impairment model, known as the current expected credit loss (CECL) model, that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognises as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses. The ASU is also intended to reduce the complexity of US GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments.

Subsequently, the FASB has issued several additional amendments to ASU 2016-13, which affect certain aspects related to clarification and updates to a variety of topics, as well as allowing for an irrevocable election of the fair value option for certain financial assets previously measured on an amortised cost basis upon transition. Additionally, the amendments also deferred the effective date to annual periods beginning after 15 December 2022, and interim periods therein. The Group is evaluating the effect of adoption, estimating an increase of allowance for credit losses of CHF 50 million to

CHF 70 million, which will be recognised as cumulative effect adjustment to opening retained earnings as of 1 January 2023. Under US GAAP, provisions for losses on the income statement are not affected on the day one of adoption of CECL.

On 5 August 2020, the FASB issued ASU 2020-06 "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity". The ASU reduces the number of models used to account for convertible instruments, eliminating two out of five existing separation models (i.e. the convertible debt with a cash conversion feature and the convertible instrument with a beneficial conversion feature). The ASU furthermore provides more consistent guidance on calculating the dilutive impact on earnings per share. The ASU is expected to reduce complexity and improve comparability of financial reporting associated with accounting for convertible instruments and contracts in an entity's own equity. The new guidance is effective for the Group for fiscal years beginning after 15 December 2023, including interim periods within those fiscal years. The Group plans to adopt the guidance as of 1 January 2024 and is currently assessing the impact of this guidance on its financial statements.

3. Business developments

In February 2022, the Group decided to close four branches in Geneva, Sion, Langenthal and Oerlikon as of April 2022, reducing the number of branches to nine (please see note 5. Property, plant and equipment for more details).

In March 2022, the Group fully repaid its fifth securitisation transaction (Swiss Auto Lease 2019-1 GmbH) of TCHF 250,000 at its optional redemption date and in May 2022 issued an A- rated unsecured bond amounting to TCHF 250,000.

As announced earlier, on 30 June 2022, the cooperation agreeement with Migros for the Cumulus-Mastercard credit card terminated.

4. Financing receivables and allowance for losses

The Group's credit risk appetite and strategy have been consistent over many years. This has assisted it to remain resilient through economic headwinds, including the 2009 downturn and in the Covid-19 pandemic. In light of the current economic uncertainty, the Group's credit risk strategy continues to be cautious, and assesses the potential impact of various macroeconomic scenarios.

As part of the recent environment, the appropriate resources have been allocated to support collections strategies, while the usage of tools that were introduced at the beginning of the pandemic, such as repayment plans and payment holidays, continues to be monitored regularly. It should be noted that the utilisation of these tools did not change the original contractual payments terms, and therefore the reported figures regarding the over 30 days past due receivables and nonaccrual receivables are not affected.

The environmental reserve, which was recorded on personal loans with the scope to further strengthen the allowance for losses, under the incurred loss concept, in light of Covid-19-related macroeconomic impacts was removed resulting to the reserve release of CHF 2.1 million as of 30 June 2022. Allowances for losses will be impacted by the upcoming CECL implementation under US GAAP as of 1 January 2023 (please refer to note 2. Accounting changes for more details).

As at 30 June 2022, the Group's financing receivables included lending to private customers, vehicle lease financing and credit card financing as follows:

CHF in thousands	30 June 2022	31 December 2021
Loans	**3,735,276**	3,611,064
Deferred costs, net	**44,860**	42,467
Total loans, including deferred costs, net	**3,780,136**	**3,653,531**
Investment in financing leases, net of deferred income	**2,674,340**	2,574,761
Other [1]	**68,323**	66,484
Financing receivables before allowance for losses	**6,522,798**	**6,294,776**
Less allowance for losses [2]	**– 88,885**	– 87,781
Financing receivables, net	**6,433,914**	**6,206,995**

1 Other includes Swissbilling SA
2 Includes Covid-19 environmental reserve of TCHF 0 and TCHF 2,089 as at 30 June 2022 and 31 December 2021, respectively

The majority of the investment in financing leases is related to auto leases. Components of the Group's net investment in financing leases, which are included in financing receivables above, are shown below:

CHF in thousands	30 June 2022	31 December 2021
Total minimum lease payments receivable	**2,893,941**	2,778,034
Deferred income [1]	**– 219,602**	– 203,274
Investment in direct financing leases	**2,674,340**	**2,574,761**
Less allowance for losses	**– 10,967**	– 10,849
Net investment in direct financing leases	**2,663,372**	**2,563,912**

1 Includes TCHF 26,509 and TCHF 25,721 of initial direct costs on direct financing leases as at 30 June 2022 and 31 December 2021, respectively

The subsidiaries held TCHF 293,055 and TCHF 572,473 of net financing receivables as at 30 June 2022 and 31 December 2021, respectively, as collateral to secure third-party debt in securitisations. See note 18. Variable interest entities for further details of securitisations.

The following table provides further information about financing receivables:

CHF in thousands	30 June 2022	31 December 2021
Personal loans	**2,400,533**	2,356,414
Auto leases and loans	**2,934,317**	2,833,437
Credit cards	**1,119,625**	1,038,442
Other [1]	**68,323**	66,484
Financing receivables, before allowance for losses	**6,522,798**	**6,294,776**
Allowance for losses [2]	**– 88,885**	– 87,781
Financing receivables, net	**6,433,914**	**6,206,995**

1 Other includes Swissbilling SA
2 Includes Covid-19 environmental reserve of TCHF 0 and TCHF 2,089 as at 30 June 2022 and 31 December 2021, respectively

A summary of activity in the allowance for losses is shown below:

CHF in thousands	Balance at 1 January 2022	Provision for losses	Amounts written off	Recoveries	Other	Balance at 30 June 2022
Personal loans	64,164	**7,767**	**– 28,819**	**19,567**	**–**	**62,679**
Auto leases and loans	13,482	**958**	**– 17,343**	**16,821**	**–**	**13,917**
Credit cards	8,403	**4,129**	**– 8,293**	**5,722**	**–**	**9,961**
Other [1]	1,732	**2,175**	**– 1,900**	**319**	**–**	**2,327**
Total	**87,781**	**15,030**	**– 56,355**	**42,428**	**–**	**88,885**
As a % of total financing receivables, net						**1.4 %**

1 Other includes Swissbilling SA

CHF in thousands	Balance at 1 January 2021	Provision for losses [3]	Amounts written off	Recoveries [3]	Other	Balance at 30 June 2021
Personal loans [1]	64,401	4,541	– 31,539	28,531	–	65,718
Auto leases and loans	12,097	5,046	– 15,043	11,564	–	13,879
Credit cards	6,375	4,271	– 7,544	5,113	–	8,215
Other [2]	1,180	560	– 869	348	–	1,219
Total [1]	**84,055**	**14,417**	**– 54,995**	**45,556**	**–**	**89,032**
As a % of total financing receivables, net						1.4 %

1 Includes Covid-19 environmental reserve of TCHF 2,088
2 Other includes Swissbilling SA
3 Includes recoveries of TCHF 8,209 from previously written off financing receivables that were sold to a third party

Credit quality of financing receivables

The Group describes the characteristics of the financing receivables and provides information about payment performance, credit quality indicators and impairment. The Group manages its portfolios using delinquency and nonaccrual data as key performance indicators. The categories used within this section such as nonaccrual financing receivables are defined by the authoritative guidance, and the Group bases the categorisation on the related scope and definitions contained in the related standards. The category of delinquent customer accounts is defined by the Group and is used in the process of managing the financing receivables. Definitions of these categories are provided in note 1. Basis of presentation and summary of significant accounting policies of the Consolidated Financial Statements as of and for the years ended 31 December 2021 and 2020.

Past due financing receivables

The following table displays payment performance of the financing receivables as a percentage of loans and investment in direct financing leases:

	30 June 2022		31 December 2021	
	Over 30 days past due	**Over 90 days past due**	Over 30 days past due	Over 90 days past due
Personal loans	**3.2 %**	**1.3 %**	3.1 %	1.3 %
Auto leases and loans	**0.6 %**	**0.1 %**	0.6 %	0.1 %
Credit cards	**1.0 %**	**0.4 %**	1.0 %	0.3 %
Total [1]	**1.6 %**	**0.6 %**	**1.6 %**	**0.6 %**

1 Does not include Swissbilling SA. There is no material impact on the Group’s past due financing receivables

Nonaccrual financing receivables

The following table provides further information about financing receivables that are classified as nonaccrual:

CHF in thousands	30 June 2022	31 December 2021
Personal loans	**31,230**	29,361
Auto leases and loans	**2,231**	2,473
Credit cards	**4,083**	3,463
Total [1]	**37,545**	**35,297**
Non-performing loan coverage [2]	**237 %**	249 %

[1] Does not include Swissbilling SA. There is no material impact on the Group's nonaccrual financing receivables
[2] Calculated as allowance for losses divided by non-accrual financing receivables

Credit quality indicators

For its lending products, the Group uses consumer ratings (CR) to assess overall credit quality. There are five consumer ratings, each having an implied probability of default based on historical default experience, with a default definition of 90 days past due. The five ratings and their associated probabilities of default are:

a. CR1 0.00% – 1.20%;
b. CR2 1.21% – 2.97%;
c. CR3 2.98% – 6.99%;
d. CR4 7.00% – 13.16%; and
e. CR5 13.17% and greater.

For private customers, the consumer rating is derived from an application credit score that is calculated through one of the Group's internal scorecards. Each credit score translates into one of the consumer ratings. For commercial customers, an obligor rating (OR) is assigned. The obligor rating is translated into the grades of the consumer rating.

In addition to regular scorecard monitoring, a parity test is run on a biannual basis to monitor at portfolio level whether the consumer ratings adequately reflect the credit quality. The parity tests confirm that although a consumer rating may have been assigned more than 12 months ago and so the initial 12-month window for probability of default has passed, the rating still accurately reflects the probability of default.

			30 June 2022		
CHF in thousands	CR1	CR2	CR3	CR4	CR5
Personal loans	1,022,876	756,710	425,854	123,220	43,120
Auto leases and loans	1,561,861	951,683	354,464	51,768	14,540
Credit cards	847,949	196,644	69,492	5,435	105
Total [1]	**3,432,686**	**1,905,037**	**849,811**	**180,424**	**57,765**
As a % of total financing receivables before allowance for losses [1]	53.4 %	29.6 %	13.2 %	2.8 %	0.9 %

[1] Does not include eny Credit GmbH and Swissbilling SA. There is no material impact on the Group's consumer ratings

CHF in thousands	31 December 2021 CR1	CR2	CR3	CR4	CR5
Personal loans	978,938	766,406	419,507	114,927	38,539
Auto leases and loans	1,487,647	913,173	356,697	58,917	17,003
Credit cards	782,643	185,372	65,101	5,252	74
Total[1]	**3,249,227**	**1,864,950**	**841,306**	**179,096**	**55,616**
As a % of total financing receivables before allowance for losses[1]	52.5 %	30.1 %	13.6 %	2.9 %	0.9 %

[1] Does not include eny Credit GmbH and Swissbilling SA. There is no material impact on the Group's consumer ratings

5. Property, plant and equipment

The following table provides further information about property, plant and equipment, excluding operating leases which are shown separately further below.

CHF in thousands	Estimated useful lives (years)	30 June 2022	31 December 2021
Original cost			
Buildings and improvements	(5-40)	**8,486**	8,486
Office equipment	(3-10)	**18,435**	16,842
Total		**26,921**	**25,328**
Accumulated depreciation			
Buildings and improvements		**– 6,793**	– 6,512
Office equipment		**– 14,518**	– 13,631
Total		**– 21,311**	**– 20,143**
Net carrying value			
Buildings and improvements		**1,694**	1,974
Office equipment		**3,917**	3,211
Total		**5,610**	**5,185**

Depreciation expense was TCHF 1,168 and TCHF 1,453 for the periods ended 30 June 2022 and 30 June 2021, respectively. The Group did not recognise any impairment losses in both periods.

The Group holds operating leases primarily related to real estate and automobiles.

CHF in thousands	30 June 2022	31 December 2021
Components of the lease liability		
Operating lease - right-of use (ROU) assets	**21,459**	23,678
Operating lease - lease liability	**21,736**	23,785
Short-term classification	**6,188**	6,445
Long-term classification	**15,548**	17,340
Supplemental information		
Right-of-use (ROU) assets obtained for new lease liabilities	**612**	–
Weighted average remaining lease term (in years)	**4.14**	4.32
Weighted average discount rate	**0.19 %**	0.19 %

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Components of the lease expense		
Operating lease expense [1]	**3,574**	3,367
Supplemental cash flow information		
Operating cash flows paid for operating leases	**3,382**	3,508
Operating cash flows paid for short-term	**204**	172

[1] Includes impariment loss of TCHF 236 and TCHF 0 on operating leases for the years ended 30 June 2022 and 31 December 2021, respectively

CHF in thousands	30 June 2022
Maturities of operating lease liabilities	
2022	**3,160**
2023	**5,741**
2024	**4,344**
2025	**4,528**
2026 and thereafter	**4,047**
Total lease payments	**21,820**
Less: imputed interest	**– 84**
Total	**21,736**

The Group recognised an impairment loss of TCHF 236 and TCHF 0 on operating leases under ASC Topic 842 for the period ended 30 June 2022 and 2021, respectively due to the planned closure of various branches.

6. Intangible assets

CHF in thousands	Estimated useful lives (years)	30 June 2022	31 December 2021
Original cost			
Capitalised software	(1-5)	**107,028**	101,040
Customer relationships	(5 - 5.5)	**47,805**	48,087
Trademarks	(5)	**10,957**	10,957
Total		**165,791**	**160,085**
Accumulated amortisation			
Capitalised software		**– 68,769**	– 64,278
Customer relationships		**– 24,627**	– 20,563
Trademarks		**– 6,213**	– 5,117
Total		**– 99,609**	**– 89,958**
Net carrying value			
Capitalised software		**38,260**	36,762
Customer relationships		**23,178**	27,524
Trademarks		**4,744**	5,840
Total		**66,182**	**70,127**

Amortisation expense related to intangible assets was TCHF 11,142 and TCHF 11,053 for the periods ended 30 June 2022 and 30 June 2021, respectively.

7. Goodwill

On 16 February 2017, the Group acquired 100% of the shares of Swissbilling SA, a Swiss invoice financing company with operations mainly in the French-speaking region of Switzerland. On 30 November 2017, the Group acquired 100% of outstanding shares of EFL Autoleasing AG, a Swiss auto leasing company domiciled in Winterthur. On 2 September 2019, the Group acquired 100% of the shares of cashgate AG, a leading consumer finance provider in Switzerland, for total consideration of CHF 277 million. The goodwill related to these acquisitions is presented below.

CHF in thousands	Balance at 1 January 2022	Goodwill acquired during the period	Other	Balance at 30 June 2022
Gross amount of goodwill	156,828	–	–	156,828
Accumulated impairment	–	–	–	–
Net book value	**156,828**	**–**	**–**	**156,828**

The Group continually assesses whether or not there has been a triggering event requiring a review of goodwill, for which both a qualitative and quantitative assessment may be performed. For the quantitative assessment, the Group applied the income approach. This approach is based on a discount rate which reflects the relevant risks and projected cash flows determined from the Group's updated five-year strategic business plan that included significant management assumptions and estimates based on its view of current and future economic conditions.

Based on the goodwill impairment analysis, the Group concluded that there was no triggering event as of 30 June 2022. There are no deferred taxes booked related to goodwill.

8. Other assets

CHF in thousands	30 June 2022	31 December 2021
Restricted cash	**15,912**	36,476
Tax receivables	**43,673**	34,608
Other receivables	**6,221**	7,779
Deferred expenses	**8,674**	7,594
Other	**2,542**	1,260
Total other assets	**77,022**	**87,717**

Restricted cash is not available for use in the ordinary course of operations and is restricted in terms of withdrawal or usage. The Group had TCHF 15,912 and TCHF 36,476 of restricted cash related to the consolidated VIEs (see note 18. Variable interest entities) as at 30 June 2022 and 31 December 2021, respectively.

The tax receivables as per 30 June 2022 consisted of VAT input tax and income tax receivables.

9. Deposits

The following table shows the maturities of the Group's customers' saving deposits, term deposits and prepaid cards as at 30 June 2022 and 31 December 2021, respectively:

CHF in thousands	30 June 2022	31 December 2021
On demand	**163,560**	167,915
Less than 3 months	**607,011**	347,803
3 to less than 6 months	**640,428**	172,364
6 to less than 12 months	**457,891**	901,878
12 months plus, thereof	**1,518,696**	1,609,437
due in 2023	**315,775**	576,872
due in 2024	**443,387**	412,032
due in 2025	**294,035**	263,565
due in 2026	**152,061**	126,978
due in 2027	**164,787**	101,764
due in 2028 and thereafter	**148,652**	128,227
Total	**3,387,586**	**3,199,397**

There is no term maturity for on-demand saving deposits. All deposits are denominated in CHF. The weighted average interest rate on all deposits was approximately 0.34% and comparable to that of the prior period.

10. Short-term and long-term debt

Short-term and long-term debt is shown below:

		30 June 2022		31 December 2021	
CHF in thousands	Maturity	**Amount**	**Contractual interest rate [2]**	Amount	Contractual interest rate [2]
Short-term portion					
Non-recourse borrowings (Auto ABS) [1]	2022	–	–	250,000	0.15 %
External debt (unsecured bond)	2022	**99,998**	**1.25 %**	99,994	1.25 %
External debt (unsecured bond)	2023	**250,000**	**0.00 %**	–	–
Long-term portion					
External debt (unsecured bond)	2023	–	–	250,000	0.00 %
External debt (unsecured bond)	2023	**200,000**	**0.18 %**	200,000	0.18 %
Non-recourse borrowings (Auto ABS) [1]	2024	**250,000**	**0.00 %**	250,000	0.00 %
External debt (unsecured bond)	2024	**200,075**	**0.25 %**	200,095	0.25 %
External debt (perpetual tier 1 capital bond)	2024	**150,000**	**2.50 %**	150,000	2.50 %
External debt (unsecured bond)	2025	**150,355**	**0.38 %**	150,413	0.38 %
External debt (unsecured bond)	2025	**250,000**	**1.18 %**	–	–
External debt (unsecured bond)	2026	**125,131**	**0.88 %**	125,147	0.88 %
External debt (senior convertible bond)	2026	**248,850**	0.00 %	248,709	0.00 %
External debt (unsecured bond)	2026	**200,000**	**0.15 %**	200,000	0.15 %
External debt (unsecured bond)	2027	**175,000**	**0.29 %**	175,000	0.29 %
External debt (unsecured bond)	2028	**200,000**	**0.42 %**	200,000	0.42 %
Debt issuance costs		– 6,870		– 7,301	
Total short-term and long-term debt		**2,492,539**		**2,492,058**	

[1] Related to consolidated VIEs, for further details refer to note 18. Variable interest entities
[2] Rounded to two decimal places

The contractual rate represents the interest due on the relevant debt at the reporting date, whereas the effective interest (all-in) rate reflects, in addition to the contractual interest rate, fees and debt issuance costs that are amortised over the expected life of the instrument. As per 30 June 2022, the Group had fixed rate funding only.

The Group defers the debt issuance costs and amortises them over the expected lifetime of the relevant debt instrument. As per 30 June 2022 and 31 December 2021, unamortised debt issuance costs amounted to TCHF 6,870 and TCHF 7,301, respectively. Commitment fees are recognised as incurred over the commitment period.

On 28 January 2022, the Group signed a revolving credit facility with an international bank with a committed term until 2025. The facility consists of a TCHF 100,000 unsecured commitment.

On 16 December 2021, the Group signed a revolving credit facility with a Swiss bank with a committed term until 2025. The facility consists of a TCHF 50,000 unsecured commitment.

On 4 July 2021, the Group signed a revolving credit facility with a Swiss bank with a committed term until 2024. The facility consists of a TCHF 100,000 unsecured commitment.

On 4 December 2020, the Group signed a revolving credit facility with a Swiss bank with a committed term until end of 2023. The facility consists of a TCHF 150,000 unsecured commitment.

As at 30 June 2022 and 31 December 2021, the Group maintained TCHF 400,000 of undrawn committed facilities. The weighted average contractual commitment fee for all facilities was 0.23% at 30 June 2022 and 0.24% at 31 December 2021, respectively.

On 17 May 2022, the Group issued a TCHF 250,000 senior unsecured bond at 100% with maturity of three and half years and a coupon of 1.1833%.

On 21 October 2021, the Group issued a TCHF 200,000 senior unsecured bond at 100% with maturity of seven years and a coupon of 0.4175%.

On 1 October 2019, the Group issued a TCHF 200,000 senior unsecured bond at 100% with a maturity of seven years and a coupon of 0.15%.

On 8 July 2019, the Group issued a TCHF 250,000 senior unsecured bond at 100% with maturity of three and three quarter years and a coupon of 0.0% and a TCHF 175,000 senior unsecured bond at 100% with a maturity of eight years and a coupon of 0.29%.

On 4 July 2019, the Group issued a TCHF 150,000 additional tier1 bond at 100% with perpetual maturity (earliest call in November 2024) and a coupon of 2.5%. The bond is eligible for tier1 capital, and will be written-off if a pre-specified trigger event occurs in relation to the regulatory capital adequacy ratio (>5.125% Common Equity Tier 1). If capital triggering occurs, the investor receives a write-down of the outstanding amount of the debt, which may be defined as either fixed or variable (depending upon the point of conversion). Given the extremely low likelihood of conversion, no separate derivative was recorded related to the value of the conversion option.

On 2 July 2019, the Group issued a TCHF 250,000 convertible bond at 100.88% with a maturity of seven years and a coupon of 0.0%. The effective interest rate on the debt component for the period ended 30 June 2022 was 0.11%. The conversion right allows the bondholders to convert their bonds any time 41 days after settlement up to and including 40 days before maturity. When conversion rights are exercised, holders who convert their bonds will receive a) if the conversion value is lower than or equal to the aggregate principal amount of the bonds converted by the same holder at any one time, the cash conversion amount; or b) if the conversion value is greater than the aggregate principal amount of the bonds converted by the same holder at any one time the cash conversion amount and the net shares. Upon conversion, it is at the discretion of Cembra Money Bank AG to deliver net shares or its equivalent in cash. The convertible bond has an initial conversion price of CHF 122.02. The embedded conversion option met the criteria for a cash conversion option via ASC Topic 470 and is measured separate via equity at TCHF 4,200.

On 3 March 2020, the Group launched its sixth auto lease asset backed security ("ABS") transaction and issued fixed rate senior notes of TCHF 250,000 on the Swiss capital market with a contractual maturity of ten years, an optional redemption date of four years from the date of issuance and coupon of 0.00%.

The Group has a total outstanding of TCHF 2,350,000 of senior unsecured bonds (including ABS and convertible) and TCHF 150,000 subordinated additional tier 1 bond issued as at 30 June 2022. These bonds have been issued in 2014 (maturing in 2022), 2016 (maturing in 2023), 2017 (maturing in 2024 and 2025) and 2018 (maturing in 2026), 2019 (maturing in 2021, 2022, 2023, 2026 and 2027), 2020 (maturing in 2024), 2021 (maturing 2028) and 2022 (maturing 2025). All debt instruments are repayable in full at maturity or at the earliest possible redemption date.

11. Pension plans

The cost of the pension plans is presented below:

For the six months ended (CHF in thousands)		30 June 2022	30 June 2021
Service cost for benefits earned	Compensation and benefits	**4,174**	4,240
Prior service credit amortisation	General and administrative expenses	**–707**	–707
Expected return on plan assets	General and administrative expenses	**–4,238**	–3,783
Interest cost on benefit obligations	General and administrative expenses	**337**	166
Net actuarial loss amortisation	General and administrative expenses	**885**	3,237
Net periodic benefit cost		**451**	**3,153**

12. Capital adequacy

The Group is obliged to comply with capital adequacy requirements and therefore subject to the disclosure requirements issued by the Swiss Financial Market Supervisory Authority – "FINMA".

Under Basel III, a diverse selection of different approaches is available to banks for the calculation of capital adequacy requirements for credit, market and operational risks. The Group uses the international standard approach ("SA-BIS" approach) to calculate the minimum required capital for covering credit risk. It is entitled to use a standardised approach to calculate the capital charge for market risk and for operational risk. Therefore, it fulfils the qualitative and quantitative requirements of the Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Firms (Capital Adequacy Ordinance, CAO, SR 952.03).

The total eligible regulatory capital of the Group comprises of Common Equity Tier 1 (CET1), which consists of total shareholders' equity including net income for the current year and additional Tier 1 capital (AT1). Deductions from Tier 1 include, among other items, anticipated but non-declared dividends, own shares and goodwill. Risk-weighted assets include consolidated balance sheet assets, off-balance sheet items converted into credit equivalents, non-counterparty risk, market risk and operational risk from processes, people, systems and external events.

As of 30 June 2022, the Group adheres to the applicable regulatory requirements for a category 4 bank set by FINMA. The Group targets to operate consistently with a capital base that is well above minimum required regulatory capital and total capital ratios. The Group is adequately capitalised under the regulatory provisions outlined by the FINMA.

Further information on capital adequacy is contained in the separate document "Basel III Pillar 3 disclosures 2021" available at www.cembra.ch/financialreports.

CHF in thousands	30 June 2022	31 December 2021
Eligible regulatory capital		
Tier 1 capital	1,089,653	1,056,594
of which CET1 capital	939,653	906,594
of which additional Tier 1 capital	150,000	150,000
Total eligible capital	**1,089,653**	**1,056,594**
Risk-weighted assets		
Credit risk	5,011,890	4,821,675
Non counterparty risk	40,804	39,289
Market risk	343	1,385
Operational risk	738,302	737,719
Total risk-weighted assets	**5,791,337**	**5,600,068**
Capital ratios		
CET1 ratio	16.2 %	16.2 %
Tier 1 ratio	18.8 %	18.9 %
Total capital ratio	**18.8 %**	**18.9 %**

13. Earnings per share and additional share information

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Net income attributable to shareholders for basic earnings per share (CHF in thousands)	**90,601**	78,735
Net income attributable to shareholders for diluted earnings per share (CHF in thousands)	**90,601**	78,735
Weighted-average number of common shares		
Weighted-average number of common shares issued	**30,000,000**	30,000,000
Less weighted-average number of treasury shares	**638,824**	622,387
Weighted-average numbers of common shares outstanding for basic earnings per share	**29,361,176**	**29,377,613**
Dilution effect number of shares	**13,724**	18,586
Weighted-average numbers of common shares outstanding for diluted earnings per share	**29,374,899**	**29,396,198**
Basic earnings per share (in CHF)	**3.09**	**2.68**
Diluted earnings per share (in CHF)	**3.08**	**2.68**

The amount of common shares outstanding has changed as follows:

	30 June 2022	31 December 2021
Common shares issued		
Balance at beginning of period	**30,000,000**	**30,000,000**
Issuance of common shares	**–**	–
Balance at end of period	**30,000,000**	**30,000,000**
Treasury shares		
Balance at beginning of period	**613,931**	**629,535**
Share-based compensation	**– 7,174**	– 20,604
Purchase	**50,000**	5,000
Balance at end of period	**656,757**	**613,931**
Common shares outstanding	**29,343,243**	**29,386,069**

14. Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Group from a customer, are excluded from revenue. The Group recognises revenue when it satisfies a contractual performance obligation.

These performance obligations are typically satisfied as the services in the contract are rendered. The contract terms are generally such that they do not result in any contract assets. The contracts generally do not include a significant financing component or obligations for refunds or other similar obligations. The contracts generally do not include variable consideration, therefore there is no significant judgement required in this respect.

Nature of services

The Group provides finance solutions to its customers. The main revenue streams of the Group arise from personal loans, leases and credit cards as well as from insurance products. Certain credit card-related fees and insurance commissions are in the scope of ASC 606.

Commission and fee income related to credit cards include certain transaction-based and service fees. Those fees are recognised as the services are rendered, which is when the transaction happens and is processed. In case of credit cards, the Group additionally earns interchange fees calculated as a percentage of total credit card transaction volume. Those fees are recognised when the transactions are processed.

The Group also offers insurance products to its customers. Those products are complementary to the Group's lending products and the Group acts as an agent to insurance companies. For arranging between the customer and the insurer, the Group is entitled to keep a part of the insurance premium as its commission, which is recognised on a net basis as the services are rendered.

Disaggregation of revenues

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Insurance	**11,921**	11,900
Credit cards	**47,452**	33,409
Total	**59,373**	**45,309**

The table above differs from note 22. Commissions and fee income, as it includes only contracts with customers that are in scope of ASC Topic 606 – Revenue from Contracts with Customers.

15. Income tax expense

The provision for income taxes is summarised in the table below:

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Current tax expense	**22,592**	18,790
Deferred tax expense / (benefit) from temporary differences	**– 231**	– 135
Income tax expense	**22,361**	**18,654**

Deferred income tax balances reflect the net tax effects of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the carrying amounts for income tax purposes.

Under Swiss law, a resident company is subject to income tax at the federal, cantonal and communal levels. The federal statutory tax rate is 8.5%. The cantonal and communal corporation tax rates vary. The Group's effective tax rates for the periods ended 30 June 2022 and 30 June 2021 were approximately 20% and 19%, respectively. The increase is driven by a normalisation of the tax rate after a one-off participation relief on dividend income in the prior period.

Net deferred tax liabilities amounted to TCHF 5,472 and TCHF 5,678 as of 30 June 2022 and 31 December 2021, respectively.

Management believes that the realisation of the recognised deferred tax assets is more likely than not, based on expectations regarding future taxable income. In assessing the realisability of deferred tax assets, the management considers whether it is more likely than not that a portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Group will realise the benefits of these deductible differences. The amount of the deferred tax assets is considered realisable, however, it could be reduced in the near term if estimates of future taxable income during the carry-forward period are significantly reduced.

The Group has no unrecognised tax benefits. Management believes that there are no uncertain tax positions that would require a reserve.

16. Commitments and guarantees

The Group's guarantees are provided in the ordinary course of business and are underwritten by considering the economic, liquidity and credit risk of the counterparty.

Swiss banking law and the deposit insurance system require Swiss banks and securities dealers to jointly guarantee an amount of up to CHF 6 billion for privileged client deposits in the event that a Swiss bank or securities dealer becomes insolvent. Upon occurrence of a payout event triggered by a specified restriction of business imposed by FINMA or by the compulsory liquidation of another deposit-taking bank, the Group's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate, the Group's share in the deposit insurance guarantee programme was TCHF 6,388 as at 30 June 2022. The deposit insurance is a guarantee and exposes the Group to additional risk. As at 30 June 2022, the Group considers the probability of a material loss from this obligation to be remote.

The Bank has issued a comfort letter (guarantee) towards Swisscom Directories AG as part of a factoring agreement between the subsidiary Swissbilling SA and Swisscom Directories AG. The guarantee covers the net financial obligations of Swissbilling SA to Swisscom Directories AG up to a maximum amount of TCHF 35,000, in the event Swissbilling

SA is not able to meet its financial obligations. The commitment is irrevocable until all net financial obligations have been settled with Swisscom Directories AG. Exposure as at 30 June 2022 amounts to TCHF 23,721 and management assesses that the probability of payout is remote.

For details on rental commitments under non-cancellable operating leases refer to note 5. Property, plant and equipment.

17. Financial instruments

The following table provides information about the assets and liabilities not carried at fair value in the Statement of Financial Position.

The table excludes finance leases and nonfinancial assets and liabilities. For the most part, the assets and liabilities discussed below are considered to be Level 3 (for the definition see note 1 of the Consolidated Financial Statements in the Annual Report 2021).

	30 June 2022		31 December 2021	
CHF in thousands	**Carrying amount net**	**Estimated fair value**	Carrying amount net	Estimated fair value
Assets				
Loans	**3,704,546**	**3,782,486**	3,578,038	3,656,409
Liabilities				
Deposits	**–3,387,586**	**–3,407,228**	–3,199,397	–3,228,807
Borrowings	**–2,492,539**	**–2,160,816**	–2,492,058	–2,259,965

Fair values are estimated as follows:

Loans
Fair value calculation is based on a discounted future cash flows methodology, using current market interest rate data adjusted for inherent credit risk or quoted market prices and recent transactions, if available.

Deposits and borrowings
If no market quotes are available, the fair value calculation is based on a discounted future cash flows methodology, using current effective interest rate data or current market interest rate data that is available to the Group for similar financial instruments.

Assets and liabilities that are reflected in the accompanying financial statements at a carrying value deemed to represent fair value are not included in the above disclosures; such items include cash and equivalents, investment securities, other assets, accrued expenses and other liabilities.

18. Variable interest entities

The Group primarily uses variable interest entities (VIEs) to securitise auto lease financing receivables. The financing receivables are originated by the Bank in the ordinary course of business and transferred to the VIEs. The financing receivables in the VIEs have similar risks and characteristics to the Bank's other lease financing receivables and were underwritten to the same standard. Accordingly, the performance of these assets has been similar to the Bank's other lease financing receivables.

The Group completed six securitisations, all through consolidated VIEs, to obtain funding backed by its auto lease receivables. Four transactions of TCHF 200,000 each, issued between March 2012 and 2016 were all fully repaid at their optional redemption dates. In March 2019, the Group launched its fifth securitisation transaction (Swiss Auto Lease 2019-1 GmbH) and issued fixed-rate senior notes of TCHF 250,000 with a coupon of 0.15% per annum and an optional redemption date of three years from the date of issuance. In March 2022 the fifth securitisation transaction was fully repaid at its optional redemption date. In March 2020, the Group launched its sixth securitisation transaction (Swiss Auto Lease 2020-1 GmbH) and issued fixed-rate senior notes of TCHF 250,000 with a coupon of 0.00% per annum and an optional redemption date of four years from the date of issuance.

Third-party holders of the debt issued by the VIEs only have recourse to the financing receivables owned by the VIEs and not to the Bank's general credit. Contractually, the cash flows from these financing receivables must first be used to pay third-party debt holders and other expenses of the VIEs. Excess cash flows are available to the Bank.

The Bank is the servicer of the VIEs and holds the subordinated interests issued by the VIEs. The Bank is considered primary beneficiary of the VIEs as it has both the power to direct the activities that most significantly impact the VIEs' economic performance and an obligation to absorb losses, or a right to receive benefits from the VIEs. Hence, the VIEs are being consolidated.

In July 2017, the Group signed an agreement to refinance a CHF 42 million personal loan portfolio from eny Finance AG, a Swiss online personal loan provider. The Group has also agreed to partially refinance future personal loan volume from this provider. The deal was structured through a VIE, eny Credit GmbH, that is fully owned, controlled and consolidated by the Group. The Bank is the co-servicer of the VIE and holds the subordinated interests issued by the VIE that were used to refinance the loan portfolio from eny Finance AG. The Bank is considered the primary beneficiary of the VIE as it has both the power to direct the activities that most significantly impact the VIE's economic performance and an obligation to absorb losses, or a right to receive benefits from the VIE.

The table below summarises the assets and liabilities of the consolidated VIEs described above:

CHF in thousands	30 June 2022	31 December 2021
Assets		
Financing receivables, net	**293,055**	572,473
Financing leases	**271,579**	542,504
Loans	**21,477**	29,969
Other assets	**15,912**	36,476
Total assets	**308,967**	**608,949**
Liabilities		
Accrued expenses and other payables	**2,318**	3,878
Non-recourse borrowings	**249,528**	499,303
Total liabilities	**251,846**	**503,181**

Revenues from the consolidated VIEs amounted to TCHF 10,110 and TCHF 15,345 for the periods ended 30 June 2022 and

30 June 2021, respectively. Related expenses consisted primarily of provisions for losses of TCHF 266 and TCHF 1,353, general and administrative expenses related to portfolio service costs of TCHF 705 and TCHF 880 and interest expense of TCHF 360 and TCHF 572 for the periods ended 30 June 2022 and TCHF 30 June 2021, respectively. These amounts do not include intercompany revenues and costs, principally fees and interest between the Bank and the VIEs, which are eliminated for consolidation purposes.

19. Related-party transactions

The Group had no related-party transactions in the first half-year of 2022 outside the normal course of business.

20. Interest income

The details of interest income are shown below:

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Personal loans	**80,654**	85,629
Auto leases and loans	**64,939**	65,055
Credit cards	**43,680**	41,251
Other	**–362**	–731
Total	**188,912**	**191,204**

21. Interest expense

The details of interest expense are shown below:

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Interest expense on ABS	**437**	687
Interest expense on deposits	**5,470**	6,531
Interest expense on debt	**6,350**	5,968
Total	**12,257**	**13,186**

22. Commission and fee income

The details of commission and fee income are shown below:

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Insurance	**11,921**	11,900
Credit cards	**47,452**	33,409
Loans and leases	**6,901**	7,535
Other	**7,044**	5,025
Total	**73,317**	**57,869**

23. General and administrative expenses

The details of general and administrative expenses are shown below:

For the six months ended (CHF in thousands)	30 June 2022	30 June 2021
Professional services	**8,721**	7,885
Marketing [1]	**6,154**	3,915
Collection fees	**5,029**	5,342
Postage and stationery	**6,085**	4,732
Rental expense under operating leases	**3,574**	3,367
Information technology	**19,963**	20,245
Depreciation and amortisation	**12,310**	12,506
Other	**– 6,925**	– 2,415
Total	**54,910**	**55,577**

[1] Marketing includes advertising costs, which are expensed as incurred

24. Supplemental cash flow information

Certain supplemental information related to cash flows is shown below:

For the six months ended (CHF in thousands)	**30 June 2022**	30 June 2021
Increase in loans to customers	**– 1,018,602**	– 855,758
Principal collections from customers – loans	**965,613**	971,929
Investment in equipment for financing leases	**– 790,756**	– 649,786
Principal collections from customers – financing leases	**688,972**	652,285
Net change in credit card receivables and other	**– 87,175**	– 54,625
Net change in financing receivables	**– 241,949**	**64,044**

25. Off-balance sheet arrangements

At 30 June 2022 and 31 December 2021, the Group was party to the following off-balance sheet financial instruments. The balances represent the Group's maximum contractual exposure to credit risk resulting from off-balance sheet arrangements:

CHF in thousands	**30 June 2022**	31 December 2021
Ordinary course of business lending commitments	**276,930**	183,552
Unused revolving loan facilities	**64,170**	66,031
Unused credit card facilities	**3,759,535**	3,748,298

Commitments to extend credit lines are agreements to lend to a customer as long as there is no violation of condition established in the contract. Commitments generally have fixed expiration dates, or other termination clauses. Loan commitments are most often uncollateralised and may be drawn upon up to the total amounts to which the Group is committed. Total commitment amounts do not necessarily represent future cash requirements as the lines of credit may expire or be terminated without being fully drawn upon. No additional allowance for losses was deemed necessary for these unused commitments since the Group can terminate the lines of credit at any time unilaterally.

26. Subsequent events

The Group has evaluated subsequent events from the financial position date through 20 July 2022, the date at which the financial statements were available to be issued. There were no subsequent events at that date.

Information for Shareholders

Cembra Money Bank AG registered shares

Stock exchange listing	SIX Swiss Exchange
ISIN	CH0225173167
Ticker symbol	CMBN.SW (Bloomberg)
Security number	22517316
Par value	CHF 1.00
Number of shares	30,000,000
Selected indices	SPI, SMIM, SXI Switzerland Sustainability 25 Index, Bloomberg Gender Equality Index 2022
Major shareholders	More than 5% of the shares: UBS Fund Management (Switzerland) More than 3% of the shares: BlackRock Inc., Credit Suisse Funds AG, Swisscanto Fondsleitung AG

Credit ratings

Standard & Poor's	A– (long-term)
Standard & Poor's	A–2 (short-term)
Zürcher Kantonalbank	A–

Sustainability ratings

MSCI ESG®	AAA
Sustainalytics®	Low ESG risk

Financial calendar

Publication of full-year 2022 results	23 February 2023
Publication of Annual Report 2022	16 March 2023
Annual General Meeting 2023	21 April 2023

Contacts

Investor Relations	E-mail: investor.relations@cembra.ch Telephone: + 41 44 439 85 72
Media Relations	E-mail: media@cembra.ch Telephone: + 41 44 439 85 12

Cembra Money Bank AG
Bändliweg 20
8048 Zurich, Switzerland

Where to find us

Branches

Basel
Freie Strasse 39
4001 Basel
061 269 25 80

Bern
Schwanengasse 1
3001 Bern
031 328 51 10

Fribourg
Rue de la Banque 1
1701 Fribourg
026 359 11 11

Lausanne
Av. Ruchonnet 1
1002 Lausanne
021 310 40 50

Lugano
Via E. Bossi 1
6901 Lugano
091 910 69 10

Lucerne
Weggisgasse 1
6002 Lucerne
041 417 17 17

St. Gallen
Oberer Graben 3
9001 St. Gallen
071 227 19 19

Winterthur
Schmidgasse 7
8401 Winterthur
052 269 23 40

Zurich City
Löwenstrasse 52
8001 Zurich
044 227 70 40

Subsidiary

Swissbilling SA
Rue du Caudray 4
1020 Renens
058 226 10 50

Headquarters

Cembra Money Bank AG
Bändliweg 20
8048 Zurich
Telephone: 044 439 81 11

This interim report is available in English only at www.cembra.ch/financialreports.