



Your Swiss Bank

# Business Review



**Cembra is a leading Swiss provider of financing solutions and services. Our product range includes consumer credit products such as personal loans and auto leases and loans, credit cards, the insurance sold in this context, invoice financing, and deposits and savings products.**



Online Report



Annual Report (pdf)



Business Review



The Online Report and the Annual Report 2021 are available under: [reports.cembra.ch](https://reports.cembra.ch)

The Business Review is published in English and German.

## Key facts

**CHF 1,993,500,000**

was the market capitalisation of Cembra at the end of 2021

**92,048,980**

credit card transactions were processed by Cembra in 2021

**1,049,000**

customers have chosen Cembra as their preferred partner

**997**

employees from 43 different countries work for Cembra

**24**

sales area managers serve around 4,000 car dealers across Switzerland

**CHF 3.85**

is the dividend per share recommended to the Annual General Meeting

## Key figures

<i>(CHF in millions)</i>	<b>2021</b>	2020	2019	2018
Net revenues	<b>487.0</b>	497.2	479.7	438.8
Provision for losses	<b>-40.3</b>	-56.4	-45.1	-50.1
Total operating expenses	<b>-246.3</b>	-247.4	-231.8	-193.0
Net income	<b>161.5</b>	152.9	159.2	154.1
Total assets	<b>7,095</b>	7,244	7,485	5,440
Net financing receivables	<b>6,207</b>	6,293	6,586	4,807
Personal loans	<b>2,292</b>	2,408	2,625	1,885
Auto leases and loans	<b>2,820</b>	2,853	2,915	1,974
Credit cards	<b>1,030</b>	970	1,029	940
Other	<b>65</b>	62	17	8
Shareholders' equity	<b>1,200</b>	1,127	1,091	933
Cost/income ratio (in %)	<b>50.6</b>	49.8	48.3	44.0
Return on equity (ROE in %)	<b>13.9</b>	13.8	15.7	16.9
Tier 1 capital ratio (in %)	<b>18.9</b>	17.7	16.3	19.2
Employees (full-time equivalent)	<b>916</b>	928	963	783
Credit rating (S&P)	<b>A-</b>	A-	A-	A-
Basic earnings per share (in CHF)	<b>5.50</b>	5.21	5.53	5.47
Dividend per share (in CHF)	<b>3.85</b>	3.75	3.75	3.75
Share price (in CHF)	<b>66.45</b>	107.20	106.00	77.85
Market capitalisation	<b>1,993</b>	3,216	3,180	2,336

<b>Key facts &amp; figures</b>	<b>02</b>
<b>CEO interview</b>	<b>04</b>
<b>About Cembra</b>	<b>08</b>
<b>Reimagining Cembra</b>	<b>10</b>
<b>Sustainability</b>	<b>32</b>
<b>Significant developments</b>	<b>34</b>
<b>Financial review</b>	<b>38</b>

“We are excited about what lies ahead.”

Holger Laubenthal, CEO



**Holger Laubenthal joined Cembra as CEO in March 2021. We spoke with Holger about the challenges and highlights of the past business year, Cembra’s resilient full-year 2021 results and the Bank’s new strategy.**

**Holger, you joined Cembra in 2021, another unusual year because of the pandemic. How did the Bank do in 2021?**

Our business model again proved to be resilient, and we delivered robust financial results in the second year of the pandemic and a record net income. We are fortunate to have an incredibly dedicated team – they worked hard throughout the year, and that’s reflected in our results. As challenging and difficult as the pandemic has been, we’ve shown that we have what it takes to manage the situation. Demand for credit remained high last year, and we continued to meet our customers’ needs effectively.

**What were the main achievements and highlights?**

In the personal loans business receivables stabilised in the second half of the year. In the auto business we strengthened major partnerships. Through our subsidiary Swiss-billing, we teamed up with Swiss sports retailer Ochsner Sport and with IKEA. The announcement that Migros would terminate its credit card partnership with us by mid-2022 was a setback, but one that we’re taking as a challenge. It has freed up resources that we’re now using to develop a new product – to be rolled out this year – that offers a strong new value proposition for our customers.

We operate in a dynamic environment. To remain successful, it’s important for us to understand and tap into the key trends we see in the Swiss market. So when I became CEO, we took the time to look closely at our market position and to develop on our new strategy.

### What trends are you seeing in the Swiss consumer finance market?

Switzerland is an attractive market. The macroeconomic outlook is strong, GDP per capita is one of the highest in the world, and there is continued demand for consumer finance products. Digitalisation is accelerating across the board, and digital and mobile channels are increasingly being used to create seamless customer experiences. It's essential to offer customers an intuitive journey. Already today, more personal loans are taken out online than through physical channels, and this trend will increase. Our operating models are evolving in response to these technological changes. We're moving to a cloud-based, modular infrastructure, which will lead to much more frequent product and feature releases, boost efficiency and customer value, and lower costs. Lastly, we're seeing a trend towards more embedded finance, which involves seamlessly integrating payment and financing solutions into the customer journey. Given our range of products, channels and partners, we're well positioned to leverage these trends.

---

**“Our vision is to leverage technology to deliver the most intuitive customer solutions in consumer finance.”**

### What is Cembra's strategy going forward?

Our vision is to leverage technology to deliver the most intuitive customer solutions in consumer finance in Switzerland. We have set up four strategic programmes to execute our vision. The first programme is built around operational excellence: we will radically simplify our operating model and transform our technology landscape – our aim is to deliver a seamless digital experience for our customers and to significantly increase efficiency through standardisation and automation. The second programme involves business acceleration: we will further differentiate our value proposition and enhance our market reach. Third, we will tap into new growth opportunities; we're excited to expand our embedded finance solutions, and in particular to grow our buy now pay later services. Finally, all of this will be underpinned by our cultural transformation programme.

### What will Cembra's cultural transformation entail?

Cembra has always had a strong culture, which means we're in a solid position to start with. We will now build on our strengths, which include the dedication and commitment of our teams and the passion they show for our customers every day. In response to the challenges and opportunities that lie ahead, we will transform who we are in several ways. Firstly, we will get even closer to our customers, starting everything we do with them in mind – this is critical in our world of rapidly changing customer expectations and journeys. Secondly, to stay ahead of the competition, we will become a more agile organisation with a focus on change and learning. To achieve all this, we will continue to build an environment based on collaboration, trust and mutual support.

---

**“We will tap into new growth opportunities: expand our embedded finance solutions and grow our buy now pay later services.”**

### What is your outlook for 2022 and beyond?

We are excited about what lies ahead. Our strategy is clear, and we have a strong roadmap to execute it. We will drive our renewed and strengthened customer-centric mindset, we will launch new card products and intend to build new card partnerships and expand existing ones. This will set our cards business back on a growth track. We will continue to drive our digitalisation efforts for the benefit of our customers; this year, for example, we will launch digital services for our credit cards via our Cembra app and a completely new auto platform. Our personal loans business will benefit from a simpler, clearer operating model that is more aligned with customer needs and expectations. We are also excited about Swissbilling's growth prospects in the buy now pay later and embedded finance businesses. So overall, we are well positioned to harness market opportunities, serve our customers and grow our business for the benefit of all our stakeholders.

**Cembra is a leading Swiss provider of financing solutions and services. We have our headquarters in Zurich and employ about 1,000 people from 43 different countries. We have been listed as an independent Swiss bank on the SIX Swiss Exchange since October 2013.**

# 1 million

customers

Attractive financial products and a customer-oriented service have enabled us to extend our client base year after year. As of 31 December 2021, 1,049,000 customers had placed their trust in Cembra.

## Products

We offer a broad range of financing solutions in Switzerland:

**Personal loans:** Cembra is a leading provider in the highly competitive personal loans market. We are offering a personalised premium service and our products are available through our branches across Switzerland, through independent intermediaries and online.

**Auto loans and leasing:** Cembra is a large brand-independent auto loans and leasing provider in Switzerland. Our products are sold via a distribution network of around 4,000 car dealers, who act as intermediaries. A dedicated sales force of 24 field agents, together with the employees at our four service centres, provide a personalised, flexible and efficient service.

**Credit cards:** We are one of the leading credit card providers in Switzerland, with about 1.1 million cards in circulation. We offer a range of credit cards through partner programmes with Conforama, Fnac, IKEA, LIPO, Migros, TCS, and as well as our own credit card. The cards offer a range of attractive features, such as loyalty points, cash back, personalised designs and no annual fees.

**Insurance products:** We provide insurance products as an intermediary. Alongside our personal loans and auto leasing and loans, we offer financial protection in case of involuntary unemployment, accident, illness or disability. We also offer travel and flight accident insurance and card protection insurance for our credit card customers.

**Deposits:** We provide deposit and savings products at competitive interest rates for both retail customers and institutional clients.

**Buy now pay later/Invoice financing:** We offer invoice financing through our subsidiary Swissbilling AG.

## History

The roots of Cembra date back to 1912, when Banque commerciale et agricole E. Udry & Cie. was founded in Fribourg. This bank later became Bank Prokredit. In 1999, GE Capital merged Bank Prokredit with Bank AUFINA, which it had acquired in 1997. In October 2013, the Bank separated from its parent company GE, went public and was rebranded as Cembra Money Bank AG. In 2019, we strengthened our market position by acquiring the consumer finance provider cashgate. At the start of 2020, we changed our brand name to "Cembra".

The Bank is named after the Swiss cembra pine (*Pinus cembra*), a sturdy and resilient tree with strong roots. This symbolises our Bank's strength and our origin.

# Proven strengths coupled with innovation

## Reimagining Cembra

We are proud to be a leading provider and preferred partner for flexible and reliable financing solutions that move people forward. We operate in an attractive market with continued robust demand for consumer finance products. As digitisation increases, our customers' needs and expectations are changing. We are taking this onboard and have realigned our strategy accordingly.


### Strategy 2022–2026

Cembra's strategic ambition is to provide customers and business partners with the most intuitive payment and financing solutions in Switzerland through technology and strong customer service. Our **core beliefs** are crucial to our success: **core excellence, customer focus, simplification and digitisation.**

### Four strategic programmes – our path to the future

Drawing on Cembra's strengths – which are our proven credit factory, our customer base of over one million customers in Switzerland and our decades of experience in the consumer finance business – we have defined four programmes to achieve our strategic and financial goals.

- The **Operational Excellence** programme aims to radically simplify Cembra's operating model and transform our technology landscape in order to further improve customer service and increase efficiency.
- The **Business Acceleration** programme will enable us to accelerate growth in our core businesses and increase market penetration.
- Through our **New Growth Opportunities** programme, we will drive embedded financing solutions and use Swissbilling to grow the “buy now, pay later” business.
- All these measures will be consolidated through our **cultural transformation**. The aim of this fourth programme is to create an agile and learning-oriented organisation in which people work together with confidence and trust.



**Cembra's DNA is our fundamental strength: our engagement, expertise and values are based on decades of experience. We have developed decisive skills in assessing and underwriting risk, debt collection and relationship management.**

**This means that we are both resilient and reliable, making it easy for our customers to place their trust in us.**

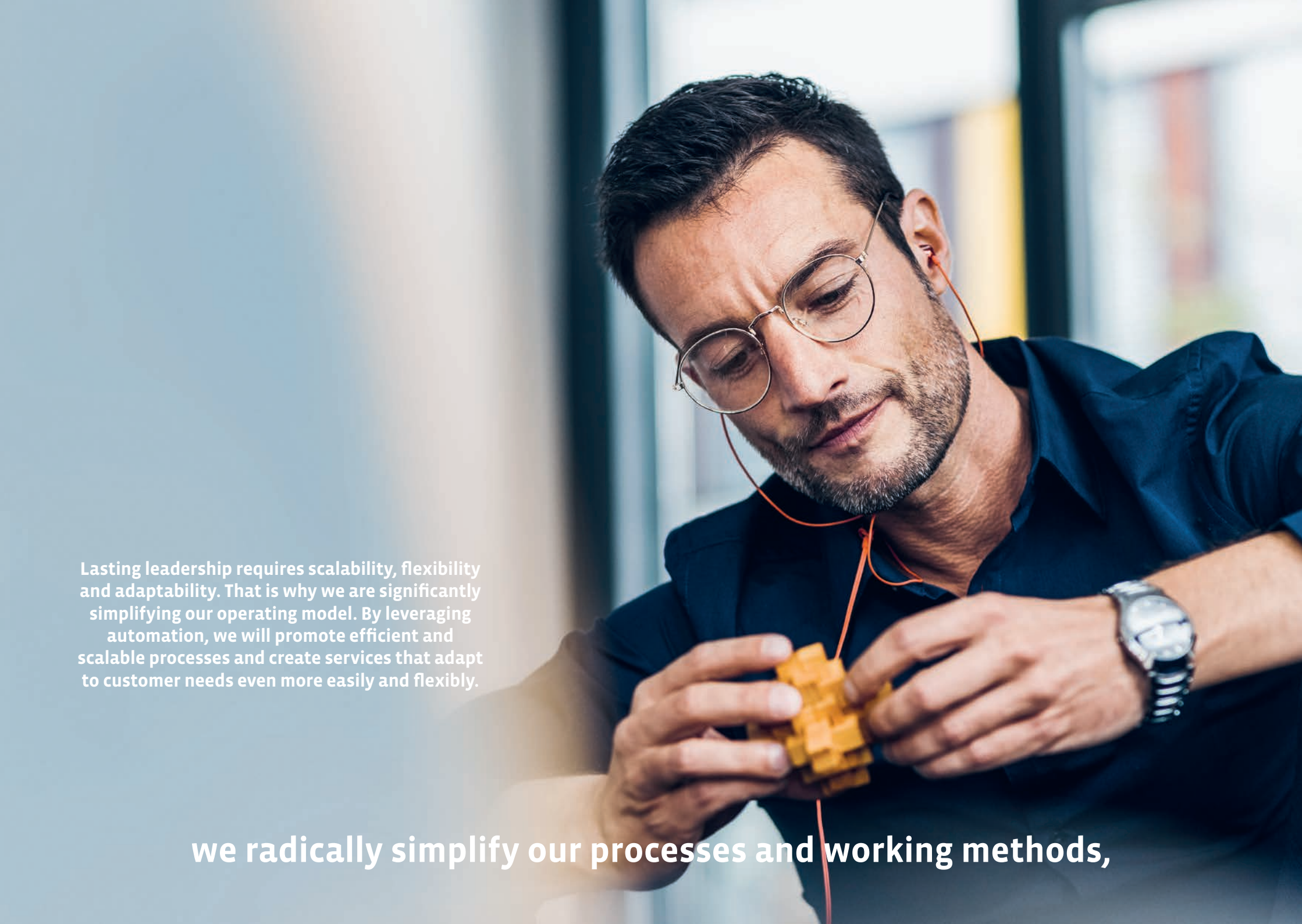
**We draw on the expertise of our proven credit factory,**





Going forward, we intend to be even closer to our customers as we shift from a product-centric to a customer-centric approach. We are integrating this uncompromising customer focus into all areas in which customers interact with us – both online and offline.

**we put our customers at the centre of everything we do,**



Lasting leadership requires scalability, flexibility and adaptability. That is why we are significantly simplifying our operating model. By leveraging automation, we will promote efficient and scalable processes and create services that adapt to customer needs even more easily and flexibly.

**we radically simplify our processes and working methods,**



The digital journey is becoming an increasingly important part of the customer experience. Digitising our business model will enable us to significantly improve the customer experience and provide seamless interaction across digital solutions. In true Cembra fashion, we will do this with a distinctly human touch.

**we develop digitally integrated and intuitive financing solutions**



We are reimagining Cembra together with our employees. With our cultural transformation we are fostering a customer-first mindset and creating an agile and learning-oriented organisation in which people work together with confidence and trust.

**and we perform a cultural transformation in the company.**

**Developing existing strengths.** The core expertise that we have built up over many years is part and parcel of Cembra's DNA. This expertise enables us to respond to changes in the markets and drives our long-term success.



**“We specialise in consumer finance. We know the Swiss market and understand the business. We are close to our customers and run our business sustainably and with passion.”**

Volker Gloe, Chief Risk Officer

More than one million customers, a leading position in the Swiss market for financing solutions and services, and consistent credit risk ratios – these are all factors that attest to the capabilities of our proven credit factory. Even in times of macroeconomic uncertainty, we have turned in a solid performance and demonstrated our resilience.

#### **Credit factory with a proven track record**

“Cembra is not a traditional bank; we specialise in consumer finance”, explains Chief Risk Officer Volker Gloe. With more than one million customers and around 1,000 credit decisions per day, it is a mass-market business – a credit factory, with automated and standardised processes ensuring a proven level of high quality. The success of the credit factory is built on four core processes: systematic selection of customers, prudent review of applications, consistent portfolio management, and debt collection. “Our work is driven by decades of experience and expertise. This is reflected in the Bank's risk management approach”, says Volker Gloe.

#### **Reliability generates trust**

It is our employees who keep the credit factory running successfully. Most of them have been with the company for many years. In-depth knowledge of our customers and their needs, together with a commitment to partner management, ensures that our cus-

tomers are satisfied and enables us to build long-term relationships. “Our employees have their fingers on the pulse of the market and know exactly what our customers want”, says Peter Schnellmann, Chief Sales and Distribution Officer. “They pass this information on to us so that we can steadily improve our products and processes.”



**“Due to Cembra's DNA and our strategy programmes, we can offer our customers a diversified and distinct product range that will continue to cover their needs reliably as we go forward.”**

Peter Schnellmann,  
Chief Sales and Distribution Officer

#### **Digital and personal**

“The customer journey is becoming more and more digital, and increasingly without media disruption. The market trend is moving away from conventional financing towards more flexible payment and financing decisions that are embedded directly and seamlessly into the customer journey”, says Peter Schnellmann. To meet this growing need, Cembra must become more digital and develop capabilities for cooperation and for embedding solutions into partners' processes. “Customer focus and high quality of service and consulting are extremely important to us”, says Schnellmann. “We will develop our online capabilities, but also retain our strong personal approach to customer relations and our branch network.” Digitisation will not only have an impact on customer processes – our employees will also be taken on board as part of our cultural transformation.

#### **Clear positioning for the future**

We aim to hold ground in those areas where Cembra is already well positioned, and develop our strengths further. “We have an extensive network and can cover the entire range: from invoice financing, leasing and conventional loans to credit cards. This makes us unique”, says Volker Gloe. We will need to reposition our business on several levels to keep this up going forward. “On the one hand,

we will focus on differentiated products that are offered through traditional and new channels”, says Peter Schnellmann. “On the other, we will establish simpler, more intuitive processes, geared towards the changing expectations and needs of our customers.” This increased efficiency and scalability will enable Cembra to penetrate market segments that would not currently be profitable. “As a market leader with unique expertise, Cembra is ideally positioned to tap into current and future market trends”, Peter Schnellmann and Volker Gloe firmly believe.

**Uncompromising customer focus. Our customers' needs are changing. We are responding to this by focusing consistently on products and services that bring added value and enhance the digital experience. The positive feedback that we receive encourages us to keep giving it our all as we move forward.**

Cembra employees are passionate when it comes to supporting our customers. “We speak their language and understand what they need. We know how we can help them in building up their business and expanding it”, explains Holger Laubenthal, Cembra’s CEO. “This not only leads to a high level of satisfaction within our partner network, but also to satisfied end customers.”

We are not resting on our laurels though. The faster pace of digitisation means that intuitive and easy-to-use solutions are increasingly indispensable. That is why

Cembra is systematically focusing on improving user friendliness and the digital customer journey. New products will differentiate our value proposition further, with the aim of offering customers a comprehensive experience and tailored solutions. The launch of the Cards Mobile First self-service app in the first quarter of 2022 will greatly enhance the user experience and our interaction with customers.

## AXA – Insurance

AXA offers personal risk, property, liability and life insurance, as well as healthcare and occupational pensions. The partnership between Cembra and AXA has been in place since 1997.



**“Cembra is a valued and reliable partner for us. We are looking forward to what we can achieve together in the future.”**

Jeffrey Aegerter, AXA

## TCS – Credit cards

As a long-established Swiss non-profit organisation with 1.5 million members, TCS has been committed to safe and sustainable mobility for more than 125 years. TCS and Cembra have been working together for more than ten years.



**“Cembra shares our values and understands our business. This means we can find joint solutions that provide genuine added value for our members.”**

Bernhard Bieri, TCS

## IKEA – Buy now pay later

IKEA and Cembra have been cooperating since 2021 of a credit card for the home furnishing group’s customers. Swissbilling offers an additional purchasing on account option.



**“The financing options offered by Cembra and Swissbilling make our products even more accessible to our customers.”**

Philip Freese, IKEA

## Credaris – Agent

Independent credit service provider Credaris is a partner service of comparis.ch and specialises in serving as an intermediary for personal loans. The partnership-based cooperation between Credaris and Cembra began in 2014.



**“Cembra is a reliable and dependable partner for us. Thanks to Cembra’s entrepreneurial spirit, we can easily reconcile the goals of our two companies.”**

Ana Henriques, Credaris

## QONEO – Auto leases and loans

QONEO is a leading Swiss provider of prestigious premium sports cars in the luxury segment. The partnership with Cembra for financing sports and luxury vehicles has been in place since 2014.



**“We appreciate our equal partnership with Cembra and their deep understanding of the car market.”**

Séverin Nava, QONEO

**Simplification – enhancing the customer experience.** Simplification is a key pillar of our strategy and part of our Operational Excellence programme. To enhance the customer experience over the long term, we will radically simplify our processes and working methods and transform the technology landscape. Chief Operating Officer Niklaus Mannhart is well aware of the opportunities that this will open up.



Niklaus Mannhart,  
Chief Operating Officer

### Why does Cembra need to radically simplify its operating model?

In a digital world, customers want simple solutions that can be handled intuitively. The need for fast digital processes on the customer side was further accelerated by the Covid-19 pandemic. We need to respond to this. On the one hand, we will simplify our operating procedures considerably and make them more efficient – and shift the focus onto our customers even more. On the other, we will invest massively in new technologies. They will provide the best possible support for our targeted operating model, using standardised and automated processes. This will equip us for the future, so that we can offer our customers the required products and services, providing a solid foundation for sustainable growth.

### What measures are needed for this to happen?

On the technology side, we are adopting a greenfield approach and developing a completely new IT infrastructure. This will make us faster, because we will have to make fewer compromises with the existing infrastructure when designing and building the new system. We can then transfer to the new model on a given day and leave the old system behind us. The implementation risk is much lower: if there are any delays, we can continue to rely on the old system. Yet it is not only a matter of technology, but also of culture. We must be faster not only technologically, but react more rapidly too. To do so, we must change our mindset. This is a major challenge, as many of our employees have been with the company for a long time. They know the processes inside and out. In a fast-paced world, we are now required to put together interdisciplinary teams that are able to work very independently and to take decisions within a fixed framework, promptly and self-sufficiently.

### What did Cembra achieve in 2021 and what are the next steps?

Firstly, we focused on our mobile banking solution in the cards market. This enables customers to submit queries and place orders digitally by themselves in the Cards Mobile First app, or at least input them. This also provides customers with the option of using a new credit card right away, in virtual form. And we receive the data in digital form as early as possible in the process, resulting in highly automated processing. A second focus is the implementation of our new service platform for the leasing business, with which we will start the new business at the beginning of 2023. The third area of focus was introducing mindset change in the teams. We began by putting agility into practice on a small scale, developing a framework and gradually adopting it.

**Sharpening our focus on the digital customer journey. The consumer financing market is demanding intuitive payment options that are integrated seamlessly into digital purchasing processes. One of Cembra's strategic goals is to drive integrated financing solutions. Together with Swissbilling, we will grow the buy now, pay later (BNPL) business, making it into a driver of growth within the company. BNPL has clear advantages both for retailers and for customers.**

Completing the purchase is an important part of the digital customer journey. End customers would like to see flexible and convenient payment options for this procedure. With buy now pay later, they can choose whether to pay on account or in instalments. The annual transaction volume in this segment is growing at a double-digit rate in Switzerland, and it is estimated that it will reach CHF 3 to 4 billion by 2025. We are well positioned with our subsidiary Swissbilling, which has many years of experience in this area. Swissbilling has already implemented BNPL solutions for Ochsner Sport, IKEA and other business partners.

#### **Embedded finance trend**

Integrating "invoice financing" into online shopping is a growing trend in Scandinavian countries and Germany. In Switzerland, too, most online shoppers decide to pay on account – provided they have the option to do so. For customers, it means convenient, flexible and secure payments with tailored payment options – and for retailers, an om-

nichannel solution, that enhances their customer experience.

"The Swissbilling product is key to ensuring customer retention for retailers who offer purchasing on account and payment in instalment", explains Moreno Bottesi, Chief Sales Officer at Swissbilling. "As a local provider, we help our partner retailers to maintain lasting customer relationships. We know the market and the behaviour of Swiss consumers very well. We know exactly what they want and how to serve them."

**"We've entered into a very good partnership"**

**Ochsner Sport has been working with Swissbilling in purchasing on account and by instalments since July 2021. Sascha Bader, Head of E-Commerce, Omnichannel and CRM at Ochsner Sport, on the requirements and advantages of the new partnership.**

"Purchasing on account is a very important and established method of payment in Switzerland. We have been offering this option for a very long time in the Ochsner Sport online shop to meet the needs of our customers. They use purchasing on account much more often than a credit card, Twint or Paypal, for example. From the customer's perspective, purchasing on account is an attractive service. Products such as shoes and textiles sometimes don't fit as expected. In that case, it is convenient if customers do not have to make an advance payment. They can order a larger selection and pay afterwards only for the items they actually keep.

As one of Switzerland's leading sports retailer, we at Ochsner Sport place very high demands on ourselves and on quality for our customers. It was important for us to have a payment service provider for purchasing on account that understands Swiss customers and the dunning system, as well as the



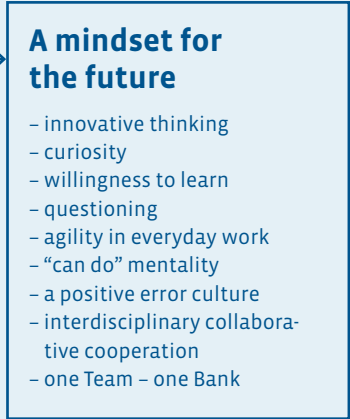
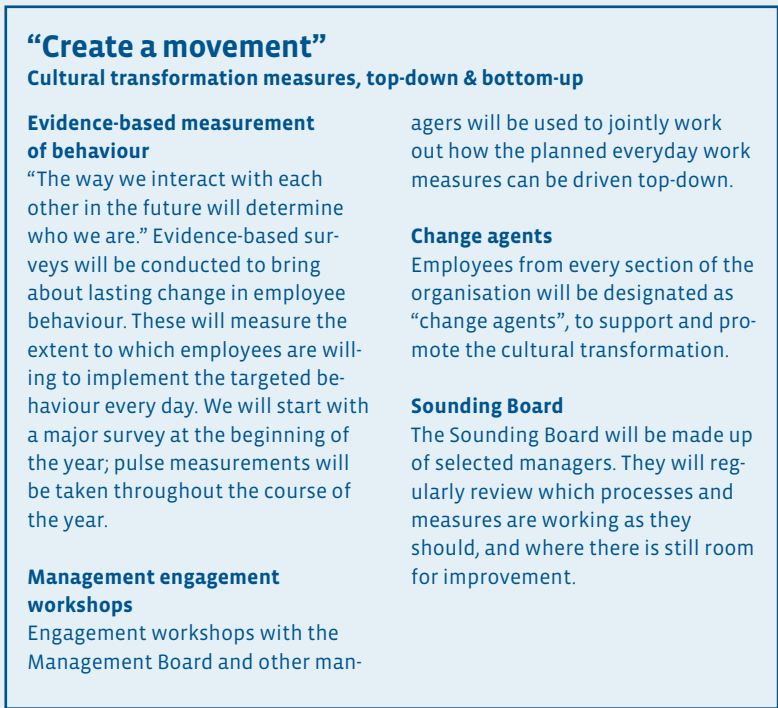
Sascha Bader, Head of E-Commerce, Omnichannel and CRM at Ochsner Sport

dunning culture in Switzerland. We have been with Swissbilling since July 2021 – they are a very good partner that meets our requirements. It is a Swiss company whose call centres are located in Switzerland and it reliably covers the national languages. Swissbilling also demonstrated flexibility and a willingness to adapt processes in the management of accounts receivable to meet our requirements.

We firmly believe that we have entered into a very good partnership with Swissbilling and we are looking forward to the future. This is because we have big plans together: we will soon offer purchasing on account and by instalments in our branches as well. In addition, introduction of the QR code invoice is scheduled for the first quarter of 2022. In the future, we will also place physical invoices into our parcels. Through these innovations, Ochsner Sport aims to make payment processing even simpler for our customers."



**Reimagining Cembra together.** Our vision and strategic goals will come hand in hand with a cultural transformation. Employees will be taken on a transformation journey that fosters an innovative, customer-first mindset. Our aim is for our future corporate culture to be shaped by a desire for continuous learning, close collaboration and by curiosity. This will enable Cembra to evolve into an agile, learning-oriented organisation, geared even more strongly towards trust-based collaboration and mutual support.



**Our aspiration is to generate long-term value by actively considering the interests and expectations of our most relevant stakeholders, by fostering responsible behaviour and practices, and by contributing to a more sustainable future.**



In 2021, Cembra took various measures to foster sustainability and responsible behaviour throughout the organisation, as the following examples show.

#### **Responsible financing**

Last year, there was no significant rise in the number of customers in financial difficulty, and we provided appropriate, tailored solutions to customers who were unable to meet their contractual repayment obligations as a result of the pandemic. Despite the Covid-19 pandemic and the resulting economic downturn, and thanks to our cautious, long-term risk management approach, our overall loss performance continued to remain robust.

#### **Financing of electromobility**

Cembra is one of the leaders in electromobility financing in Switzerland. We are offering loans and leases for electric vehicles on highly favourable terms. Our strategy is to continue to grow this business in line with the market trend.

#### **External review of Sustainability Report**

The Sustainability Report 2021 received an external review by our auditor. We are among the first smaller listed companies in Switzerland to submit our report for review.

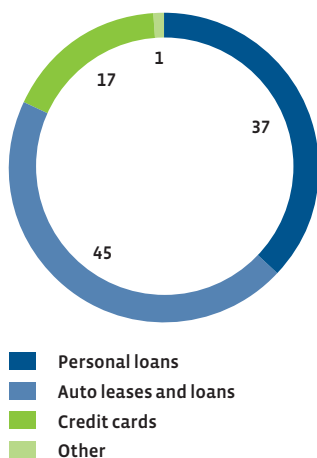
#### **Good external recognition**

Our increasing efforts to promote sustainability were acknowledged by leading ESG rating agencies. We are also very pleased that Cembra is included in the SXI Switzerland Sustainability 25 Index and again one of only nine Swiss-based companies to join the Bloomberg Gender Equality Index in 2022. The Great Place to Work organisation named us as one of the "Best Workplaces Switzerland" and as one of "Europe's Best Workplaces".

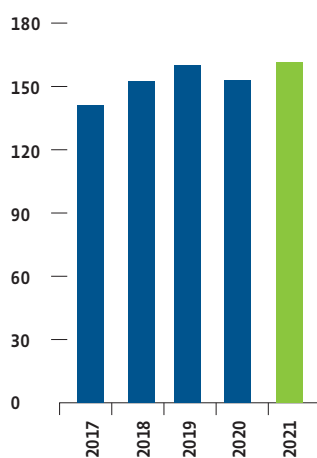
With more than one million customers and as a leading provider of consumer finance products and services in Switzerland, we believe that it is our duty to further improve our sustainability performance.

**In 2021, we successfully onboarded new partners in the credit card and buy now pay later businesses. We are now focusing on delivering on our updated strategy.**

Net financing receivables in %



Net income in CHF millions



**Market share of our products**

In a slightly decreasing market and a competitive environment, the Group had an estimated market share of approximately 41% of consumer loans outstanding. The Group estimates its auto leasing market share at about 21% of total leasing volumes outstanding in 2021. The credit card business grew in line with the market, with the number of cards increasing by about 38,000, or 4%, to about 1,068,000 compared with year-end 2020. The Group's market share, based on the number of credit cards in circulation, was 13% in 2021. Via its subsidiary Swissbilling, Cembra has a share of 10–20% of the BNPL market. E-commerce (online) volume at Swissbilling grew by 46% in 2021.

**Business development**

On 8 January 2021, Holger Laubenthal was appointed as new CEO of Cembra, effective 1 March 2021. He succeeded Robert Oudmayer, who had expressed his wish to step down as CEO.

On 6 April 2021, Cembra and IKEA Switzerland launched the IKEA Family credit card. The launch of the joint credit card was the first step in the collaboration, which is set to offer other Cembra products and services to IKEA Switzerland customers.

On 22 April 2021, Cembra held its eighth Annual General Meeting of Shareholders as a SIX-listed company in Zurich. The following members of the Board of Directors were re-elected for a further one-year term of office: Felix Weber (Chairman), Urs Baumann, Thomas Buess, Denis Hall and Monica Mächler. Katrina Machin did not stand for re-election. Martin Blessing and Susanne

Klöss-Braekler were newly elected to the Board of Directors.

On 23 August 2021, we announced that after a 15-year partnership, Cembra and Migros would terminate their cooperation agreement for the Cumulus-Mastercard credit card as of June 2022. For strategic reasons, the Federation of Migros Cooperatives (Migros-Genossenschafts-Bund) had decided to issue a proprietary credit card with another partner in the future. As of mid-2022, Cembra will offer an innovative and attractive replacement for the more than 850,000 Cumulus-Mastercard credit cards issued.

On its Investor Day on 7 December 2021, Cembra presented its updated strategy for 2022-2026. Drawing on its strengths – its proven credit factory, a customer base of over one million customers in Switzerland and decades of experience in the consumer finance business – Cembra has defined four strategic programmes to achieve its strategic and financial ambitions.

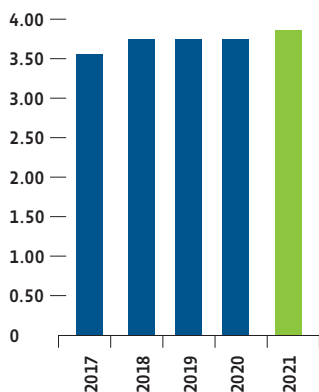
As part of its updated strategy, Cembra is combining its client-facing units in the newly created Sales and Distribution division. Peter Schnellmann, who already worked for Cembra in leading positions from 2009 to 2018, was appointed Chief Sales and Distribution Officer and member of the Management Board as of 1 January 2022. The members of the Management Board, Daniel Frei, Managing Director B2C, and Jörg Fohringer, Managing Director B2B, decided to leave the company by the end of 2021.



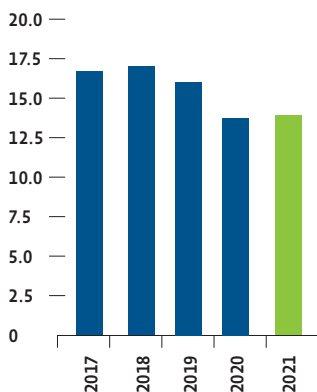
Cembra Management Board (as of end February 2022, from left):  
Niklaus Mannhart (Chief Operating Officer), Volker Gloe (Chief Risk Officer), Holger Laubenthal (Chief Executive Officer), Peter Schnellmann (Chief Sales and Distribution Officer), Pascal Perritaz (Chief Financial Officer), Dr. Emanuel Hofacker (General Counsel).

**In 2021, Cembra reported resilient results with record net income. Net income increased by 6% to CHF 161.5 million, or CHF 5.50 per share. Net revenues declined by 2%, with commission and fee income increasing by 7% following a rebound that began in the second quarter. Despite the challenging environment, the loss performance remained very strong at 0.6%, or 0.8% adjusted for a sale of loss certificates. As a result, return on equity came in at 13.9%, and the Tier 1 capital ratio stood at 18.9%. An increased dividend per share of CHF 3.85 will be proposed to the Annual General Meeting.**

Dividend per share in CHF



Return on equity (ROE) in %



**Resilient business performance**

The Group’s total net financing receivables amounted to CHF 6.2 billion at 31 December 2021, a decline of 1% on year-end 2020.

In the personal loans business, receivables stabilised in the second half of the year. The decrease by 5% to CHF 2.3 billion in the full year was mainly attributable to lower market demand and cautious underwriting strategies for new business in response to the Covid-19 pandemic and its impact on the economy. As a result of the lower asset base, interest income in the personal loans business decreased by 11% to CHF 169.4 million, with a yield of 7.0%.

Net financing receivables in auto leases and loans declined by 1% to CHF 2.8 billion. Interest income edged up by 1% to CHF 130.1 million, with a yield of 4.6%.

In the credit cards business, net financing receivables increased by 6% to CHF 1.0 billion as a result of the recovery that began in the second quarter. Interest income in the cards business increased slightly, up 1% to CHF 84.5 million, with a yield of 8.4%. Transaction volumes increased by 13% year on year, mainly due to higher domestic card spending. The number of cards continued to rise, up 4%.

**Impact of Covid-19-related restrictions on revenues**

Total net revenues declined by 2% to CHF 487.0 million. Interest income declined by 5% due to the lower asset base in personal loans.

Interest expense was 3% lower, at CHF 26.0 million.

**New partners and profitable growth for Swissbilling**

Cembra’s subsidiary Swissbilling continued to deliver profitable growth and successfully implemented initial buy now pay later solutions for IKEA and other business partners. Swissbilling recorded a 23% rise in fee income, which stood at CHF 11 million.

**Excellent underlying loss performance**

The provision for losses decreased by CHF 16.1 million, or 29%, to CHF 40.3 million, due to an excellent underlying loss performance as well as the one-time sale of previously written-off financing receivables. This resulted in a loss rate of 0.6%.

**Increased dividend**

Cembra remains very well capitalised, with a strong Tier 1 capital ratio of 18.9%. Given Cembra’s robust financial performance, the Board of Directors will propose a CHF 3.85 dividend per share at the next General Meeting.

**Outlook**

Cembra currently expects to deliver a resilient business performance in 2022, with revenues recovering in line with economic growth. Cembra expects a solid loss performance for 2022 and confirms its outlook for return on equity of 13–14% for 2022 and 2023 and above 15% from 2024 on.

## Income statement

<i>(CHF in millions)</i>	<b>2021</b>	<b>2020</b>	in %
Interest income	382.7	401.8	-5
Interest expense	-26.0	-26.9	-3
<b>Net interest income</b>	<b>356.7</b>	<b>375.0</b>	<b>-5</b>
Commission and fee income	130.3	122.3	7
<b>Net revenues</b>	<b>487.0</b>	<b>497.2</b>	<b>-2</b>
<b>Provision for losses</b>	<b>-40.3</b>	<b>-56.4</b>	<b>-29</b>
Compensation and benefits	-132.2	-129.5	2
General and administrative expenses	-114.0	-117.9	-3
<b>Total operating expenses</b>	<b>-246.3</b>	<b>-247.4</b>	<b>0</b>
<b>Income before income taxes</b>	<b>200.5</b>	<b>193.4</b>	<b>4</b>
Income tax expense	-39.0	-40.5	-4
<b>Net income</b>	<b>161.5</b>	<b>152.9</b>	<b>6</b>
<b>Basic earnings per share (in CHF)</b>	<b>5.50</b>	<b>5.21</b>	<b>6</b>

## Balance sheet

<i>(At 31 December, CHF in millions)</i>	<b>2021</b>	<b>2020</b>	in %
<b>Assets</b>			
Cash and cash equivalents	<b>545</b>	599	-9
Net financing receivables	<b>6,207</b>	6,293	-1
Other assets	<b>344</b>	353	-3
<b>Total assets</b>	<b>7,095</b>	<b>7,244</b>	<b>-2</b>
<b>Liabilities and equity</b>			
Deposits	<b>3,199</b>	3,275	-2
Short-term & long-term debt	<b>2,492</b>	2,565	-3
Other liabilities	<b>204</b>	278	-27
<b>Total liabilities</b>	<b>5,895</b>	<b>6,117</b>	<b>-4</b>
Common shares	<b>30</b>	30	0
Additional paid-in capital (APIC)	<b>258</b>	259	-1
Treasury shares	-35	-36	-4
Retained earnings	<b>954</b>	902	6
Accumulated other comprehensive loss (AOCI)	-7	-29	-77
<b>Total shareholders' equity</b>	<b>1,200</b>	<b>1,127</b>	<b>6</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,095</b>	<b>7,244</b>	<b>-2</b>

**Contact**

Investor Relations

e-mail: [investor.relations@cembra.ch](mailto:investor.relations@cembra.ch)

[www.cembra.ch/investors](http://www.cembra.ch/investors)

Media Relations

e-mail: [media@cembra.ch](mailto:media@cembra.ch)

**Cembra Money Bank AG**

Bändliweg 20

8048 Zurich

Switzerland

[www.cembra.ch](http://www.cembra.ch)