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## Cembra Money Bank acquires cashgate AG

- **Consolidation of market position in Switzerland through acquisition of cashgate AG, an established Swiss consumer finance player**
- **Synergies expected to lead to an incremental net income of CHF 25–30 million per annum from 2021 onwards**
- **Balanced financing of the transaction with a solid Tier 1 capital target of at least 17%**
- **Positive business performance of Cembra Money Bank in the first half of 2019. Net income expected between CHF 77 million and CHF 79 million**
- **Target dividend for 2019 at least at the level of previous year, EPS guidance 2019 (post transaction) CHF 5.20–5.50**

Zurich – Cembra Money Bank AG has signed an agreement with Aduno Holding AG for the acquisition of 100 percent of the shares of cashgate AG, for a purchase price of CHF 277 million. The Bank continues executing on its growth strategy, following its acquisition of Swissbilling SA and EFL Autoleasing AG (both in 2017). With the acquisition of cashgate AG, Cembra Money Bank increases its financing portfolio in personal loans and auto leases & loans by around CHF 1.4 billion to a total of around CHF 6.2 billion. The transaction will lead to increased economies of scale and accelerate the digital transformation roadmap. The acquisition is expected to close in the third quarter of 2019.

Robert Oudmayer, Chief Executive Officer of Cembra Money Bank, says, “With the acquisition of cashgate we continue to implement our growth strategy. Thanks to this acquisition we are further expanding our market position in the Swiss consumer finance space and growing as an independent provider of auto leases and loans. We also look forward to continue digitising our core business together with the experienced team at cashgate.”

Pascal Niquille, Chairman of the Board of Directors of the Aduno Group, says, “The Aduno Group and Cembra Money Bank focus on the Swiss market. Both companies are correspondingly familiar with Swiss circumstances and uphold the cultural values of our country. The agreement that has now been signed enables the Aduno Group to continue its focused strategy in a systematic manner. At the same time with Cembra Money Bank we have the guarantee that the employees leaving us will be working for a company with a similar culture and great respect for its workforce. For me this is a clear expression of a win-win situation, as all the parties will benefit from this agreement”.

### **Consolidation of market position**

cashgate AG, part of the Aduno Group, is an established Swiss provider of consumer loans and auto financing. Through this acquisition, Cembra strengthens its position in these markets and aims to expand its offering. The existing “cashgate” brand will continue in the online segment. In addition, cashgate AG also contributes innovations, distribution advantages and technical skills. Cembra intends to accelerate its digital transformation by leveraging cashgate’s IT platform.

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From the transaction Cembra expects total integration costs of around CHF 25 million until 2020. It is planned that the integration of cashgate AG into Cembra will be completed by the end of the third quarter of 2020.

#### **Balanced financing of the transaction**

The Bank is planning to finance the majority of the purchase price, depending on market conditions, with the placement of an Additional Tier 1 bond (AT1), as well as placing a portion of its treasury shares on the capital market, and using existing available cash. It is also currently foreseen to propose the cancellation of the unused treasury shares to the coming Annual General Meeting.

In the context of the transaction agreement with Aduno, Cembra will refinance the balance sheet liabilities of cashgate AG amounting to around CHF 1.4 billion as of closing of the transaction.

The overall financing is backed by a committed bridge facility and a term loan from a banking consortium led by Deutsche Bank. In addition to the AT1 bond and the placing of the treasury shares, the remaining bridge facility will be repaid stepwise by means of a balanced mix of increased deposits, as well as senior bonds and ABS and the issuance of a convertible bond with net share and cash settlement features.

The balanced and diversified financing enables Cembra to keep its financial flexibility for continued profitable growth. The investments in digitisation and product development announced earlier this year as well as the growing cards business will not be impacted by the transaction.

#### **Solid capital base with new Tier 1 target of 17%**

The Bank's capital base remains solid. In connection with the effects of the transaction on its business and risk profile, Cembra is revising the medium-term target for the Tier 1 capital ratio to 17% (previously 18%). Accordingly the threshold for rule-based dividend payouts will also be lowered by one percentage point to 19%. Cembra expects that Standard & Poor's will maintain its A- rating for Cembra Money Bank AG.

#### **Dividend aimed to be at least as high as the previous year**

The proven dividend policy of 60–70% of net profit will be continued. For the financial year 2019, Cembra aims to pay a dividend at least at the level of the previous year (CHF 3.75 per share), corresponding to a pay-out ratio of around 70%.

#### **Positive business performance in 2019**

In connection with the measures announced for financing the acquisition of cashgate AG, today Cembra is also disclosing an update to the most important key financial indicators in the first half of 2019. After the first five months, net receivables rose by 2.1%. Cembra expects net revenues to increase by 4% in the first half of 2019, compared to the same period in the previous year. Higher costs resulting from digitisation, among other factors, will be compensated by a significantly lower loss rate. As a result, Cembra expects a net profit for the first half-year between CHF 77 million and CHF 79 million, following CHF 77.7 million in the same period of the previous year. The Bank will publish the full interim report 2019 for the first half-year on 23 July, as planned.

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### Outlook 2019 for existing business confirmed

For the existing business the earnings per share (EPS) range previously indicated for 2019 is confirmed. Including the acquisition, Cembra expects a FY 2019 post-transaction EPS (diluted, US GAAP) of CHF 5.20–5.50 and a positive impact on EPS from as early as 2020 onwards.

From 2021 onwards, the transaction is expected to generate an incremental net profit of CHF 25–30 million per annum. In the mid-term Cembra expects a stable loss ratio, and a cost income-ratio below 44%.

A presentation for investors can be accessed via the following link: [www.cembra.ch/investors](http://www.cembra.ch/investors)

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### Audio webcast and telephone conference for investors/analysts (in English)

Date and time: 1 July 2019 at 9.00 a.m. CEST  
Speakers: Robert Oudmayer (CEO), Pascal Perritaz (CFO)  
Audio webcast: [www.cembra.ch/investors](http://www.cembra.ch/investors)  
Europe: +41 (0) 58 310 50 00  
UK: +44 (0) 203 059 58 62  
US: +1 (1) 631 570 56 13

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### Media conference

Date and time: 1 July 2019 at 10.00 a.m. CEST  
Location: Cembra Money Bank, Bändliweg 20, Zürich-Altstetten  
Speakers: Cembra: Robert Oudmayer (CEO), Pascal Perritaz (CFO);  
Aduno Group: Max Schönholzer (CEO)  
Registration: [media@cembra.ch](mailto:media@cembra.ch) or +41 79 702 02 04 (Andreas Werz)

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### Key dates

23 July 2019	Publication of half-year results 2019
21 February 2020	Publication of full-year results 2019
18 March 2020	Publication of Annual Report 2019
16 April 2020	Annual General Meeting 2020

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### About Cembra Money Bank AG

Cembra Money Bank AG is one of the leading Swiss providers of consumer credit products and services. Its product range includes personal loans, auto leases and loans, credit cards and insurance sold with these products, as well as invoice financing, deposit and savings products.

Headquartered in Zurich-Altstetten, the Bank has operations across Switzerland via a network of 16 branches, as well as alternative sales channels such as the Internet, credit card partners, independent agents and more than 3,900 car dealers.

Cembra Money Bank AG is an independent Swiss bank and has been listed on the SIX Swiss Exchange since October 2013. It has over 850 employees from 37 nations and about 870,000 customers.

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**About cashgate AG**

cashgate AG specialises in personal credit and vehicle leasing, and also offers rental deposits. It is among the four largest Swiss consumer credit institutions and has around 160 employees at its locations in Zurich, St. Gallen and Lausanne, as well as at branches in Langenthal, Winterthur, Neuchâtel and Geneva.

cashgate AG has some 90,000 customers (personal credit, leasing and rental deposit customers) and maintains a tight distribution network through collaborations with partner banks, garage partners, credit brokers and property management companies.

cashgate AG is a company of the Aduno Group, one of the leading providers of products and services for cashless payments. The Aduno Group is wholly owned by the largest Swiss cantonal and retail banks (all the cantonal banks, Raiffeisen Group, Migros Bank, Bank Cler, regional banks and a number of private and commercial banks).

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