



CEO Interview

Robert Oudmayer, Chief Executive Officer of Cembra Money Bank, plans to invest CHF 40 million in digitisation and product development over the next three to four years. An interview about a successful financial year, the Bank's fifth anniversary, plans for the future, its long-term strategy – and the heart and greatest asset of the Bank: its employees.

How would you characterise the past financial year?

We are very pleased with our 2018 financial results. It is the best full-year result in the history of our Bank. We again delivered on our targets in a competitive market environment, with profitable growth in all our business lines. Our net income increased by 7% to a record CHF 154.1 million. All products contributed to a robust 5% growth in net financial receivables and an 11% growth in net revenues. Our return on equity of 16.9% is well above the target level of 15%. We have extended our customer base in 2018 and now serve our products to 870,000 customers. A big thank you goes to our more than 850 dedicated employees, who made this record result possible.

What makes Cembra so successful?

Cembra has a stable business model, a sound strategy and excellent performance. This is reflected in our results. We also have a long tradition and extensive experience in consumer finance. Since the IPO five years ago, Cembra has always delivered on its promises. Our investors appreciate this stability. We offer excellent customer service and have highly committed employees, who are willing to go the extra mile.

What is on your agenda for the next few years?

Our aim is to further grow our footprint in Switzerland. We want to explore new revenue streams, develop new markets and products – but clearly all consumer finance-related. At the same time, we are investing in improving our digital customer journey.

“In 2018, we achieved the best result in the history of our company.”

We will defend our strong market position in personal loans. In addition, we are looking at new partnerships and will be promoting the online business. The same goes for auto leasing, where we already have strong partnerships and a strong standing in the used car market. Even though the car market is highly competitive and not really growing, we aim to maintain our strong market position in both the new and used car markets.

In the credit cards business, we want to continue to grow. Our biggest partner is Migros, and we also have partnerships with Fnac, TCS, Conforama and Interio, plus Cembra has its own credit card. Our ambition is to sign one or two new partnerships.

Cembra announced that it will invest about CHF 40 million in the next three to four years. Where will this investment be made?

We are investing in the future of our business. About CHF 20 million will be invested into digitisation. We spend money in our new origination and servicing platform to simplify the customer journey, gain efficiency and manage our costs. This digital journey

is set out for the long term. At the same time, we have allocated CHF 20 million to new product developments. We have selected an innovation team, which is exploring the possibility of entering the SME market. We believe there is a market for small businesses in Switzerland that is not fully served yet. And we are planning innovations in the cards business and investing in the growth of Swissbilling, which is of strategic importance to us.

What are your plans in relation to new payment technologies?

We are staying on top of all developments, so that we can offer our customers attractive payment solutions. As I always said, our strategy is to be a smart follower rather than a leader. We are not in a position to invest in all the new technologies. Cembra supports the smartwatches Garmin Pay and Fitbit Pay. In 2018, we introduced Samsung Pay and launched our first mobile app for our eService application, and since January 2019 we also offer SwatchPAY.

In recent years, Cembra has made several acquisitions and entered various partnerships. How are they developing?

The partnership with eny Finance is developing very well. Lendico is still in the pilot phase, and we will decide this year how we will continue. The partnerships with Harley-Davidson, Hyundai and Honda are doing very well.

“We again delivered on our targets, with profitable growth in all business lines.”

In 2017, we acquired EFL Autoleasing AG, which is now successfully integrated into the Bank. This acquisition enabled us to strengthen our position as a leading player in the auto leasing business. And with our subsidiary Swissbilling, our aim is to increase in size. We are investing, we have doubled the number of employees, we have opened an office in Zurich, and we have signed a major contract with localsearch.

What is the Bank’s long-term strategy?

We continue to pursue our proven strategy, which is based on three pillars. First of all, we want to defend our core business, where we are strong. We do this by acquiring new customers, while retaining a competitive cost/income ratio. Secondly, we are building the future by investing heavily in digitisation and in transforming our Bank from a product-oriented to a more customer-centric organisation. And finally, we are open to new partnerships and acquisition opportunities to increase our scale in Switzerland. We maintain our focus on continuous growth in our home market.

Most importantly, we want to remain to be a reliable and stable Bank for our customers, shareholders and a great place to work for our employees.

What makes Cembra an attractive employer?

At Cembra, we believe in equality and in diversity. We support our employees in combining work and private life by offering flexible working solutions wherever possible, including part-time and home office. The key to our success lies in each and every employee, who we support with various training and development programmes. We want to ensure that our employees are challenged and satisfied in their job and that they have the necessary skills to perform successfully in the market. In early 2019, we were recognised as a great place to work by the Great Place To Work organisation. We are very proud of that certification.