

# Summary Report 2021

# Editorial

## Dear customers and partners Dear readers

With 2020, the first year of the coronavirus pandemic, behind it, Viseca recovered its strength in 2021. While the months of January to April still had ups and downs, the company achieved strong growth from May onwards. Both transaction volumes and turnover increased significantly in the second half of the year. In addition, the cost base improved further last year. Overall, this resulted in a consolidated profit of around CHF 51 million.

It is evident that Viseca's consistent focus on the payment cards business is paying off. At the end of the year, the card portfolio reached a new high with around 2.8 million payment cards. Again in 2021, the company was able to launch the new Visa and Mastercard debit cards with various customer banks and to attract other banks interested in coming on board. Viseca is a clear pioneer in the Swiss market in this area. What is more, the division of the enterprise into an issuing company and a service company in October 2020 is proving to be a success. Last autumn, the first customer bank became the issuer of its customers' credit cards. Thanks to the opportunity of becoming an issuer itself, combined with the digital advantages of the "one" app and services from a single source, last summer Migros Bank chose Viseca as its service partner for the new Cumulus credit card.

It goes without saying that Viseca is not resting on its laurels. In the area of digitisation, in particular, the company made great progress in the past year too. Viseca is taking advantage of the digitisation boost associated with the Covid-19 pandemic. Customers are increasingly using contactless payment these days, and often with mobile phones or wearables. With the multi-award-winning "one" app, Viseca has a strong digital offering. This was expanded further in 2021 and equipped with new features. This is benefiting not only credit card holders, but also holders of a new-generation debit card – the only offering of its kind in Switzerland. In addition, Viseca launched its first open finance offering based on API interfaces last December. More offerings will follow.



On behalf of the entire management of Viseca, we would like to extend our sincere thanks to our employees for all their efforts. Once again, their work has been immense, despite the coronavirus. Not only have they overcome the challenges of the day-to-day business, it is also thanks to them that key projects have been progressed or completed on time. Of course, we would also like to thank our customer banks and cardholders – Viseca would not be where it is today without their trust in our products and services.

**Pascal Niquille**  
Chairman of the Board  
of Directors

**Max Schönholzer**  
Chief Executive Officer

# Viseca performs strongly in the second half of the year, closing out 2021 with a solid profit

With 2020, the first year of the coronavirus pandemic, behind it, Viseca returned to profit in 2021. The last six months, in particular, saw a sharp increase in both transaction volumes and turnover. The division of the enterprise into an issuing company and a service company is beginning to bear fruit: Viseca achieved significant growth last year in both its traditional credit business and its newer debit business. The card portfolio scaled record heights. The company is confident about the outlook for the current year.

While the effects of the Covid-19 pandemic continued to be felt during the months of January to April, turnover and transaction volumes increased continuously from May onwards. This resulted in total turnover of CHF 420.6 million, up 9.2 percent year-on-year (2020: CHF 385.2 million). This growth in turnover is primarily due to a significant increase in commission income by 21.1 percent compared to the previous year. In other words, people spent a lot more money again. In 2021, Viseca recorded a slight increase of 1.1 percent in annual fees, while other operating income remained stable at –0.7 percent and interest income declined slightly by –3.8 percent. This contrasts with a sharp rise in service revenues for the company thanks to the onboarding of new debit banks. This source of income will continue to increase in the future.

Consolidated earnings for 2021 totalled CHF 50.9 million, significantly higher than the previous year (2020: CHF –20.4 million). Viseca's strong performance in the past year is attributable to its good earnings situation (the coronavirus pandemic barely had any impact on results in the second half of the year) and rigorous cost management.

The balance sheet total was CHF 880.2 million as of 31 December 2021 compared to CHF 1,142.0 million in the previous year. Equity amounted to CHF 605.3 million

(2020: CHF 574.4 million), which corresponds to a very solid equity ratio of 68.8 percent. On 16 July 2021, Viseca repaid the last outstanding bond of CHF 275 million. As a result, Viseca is no longer active on the capital market for the time being.

## Increase in transaction turnover and card portfolio

Transaction turnover in 2021 stood at CHF 13,887 million, up a massive 40.8 percent on the previous year (2020: CHF 9,860 million), reaching a new high. This increase is primarily due to the launch of the new debit cards and, in the credit arena, to a strong recovery in the areas of travel and entertainment compared to 2020, which had been dogged by Covid-19 restrictions. Domestically, Viseca recorded growth year-on-year of 43.4 percent, while in the euro area this stood at 37.3 percent and in the rest of the world 27.1 percent.

The card portfolio also grew significantly by 17.8 percent, amounting to around 2.8 million cards as of 31 December 2021 (2020: 2.38 million). This rise is primarily due to strong growth in new-generation debit cards.

The company is confident about 2022. With the abolition of almost all measures to combat the coronavirus pandemic in Switzerland on 17 February 2022, the economy can be expected to continue its recovery. This will also benefit Viseca. The company anticipates that transaction turnover both at home and abroad will increase in 2022.

## Optimisation of the company structure

Viseca made organisational changes in the past year, further simplifying the structure of the company. The holding company was merged with Viseca Payment Services SA. The merged company was subsequently renamed Viseca Payment Services SA. This allowed the realisation of synergies and cost savings. As of 31 December 2021, Viseca had 682 employees (full-time equivalents), compared to 739 at the end of 2020.

## Digitisation on the rise

Cashless payment has experienced an unprecedented boost during the coronavirus pandemic, and this replacement of cash looks set to continue in the coming months and years. The digitisation of payment, alongside the focus on our payment cards business, is a central pillar of Viseca's future

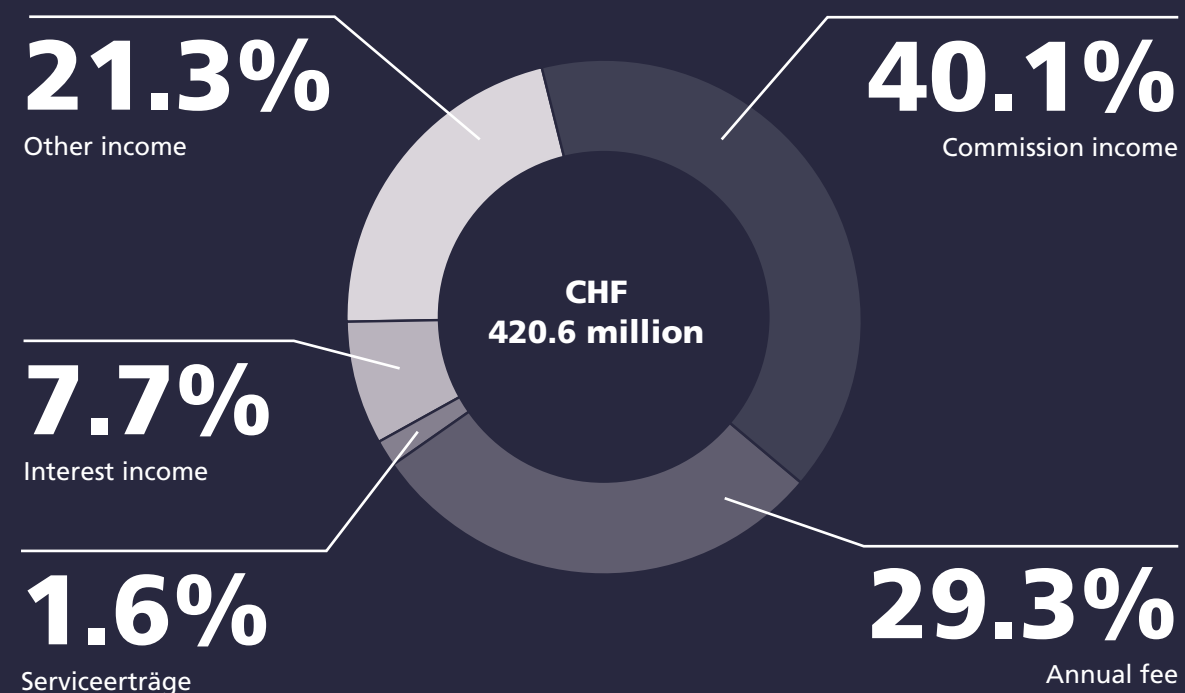
success. First and foremost, this involves the continuous enhancement of the universally popular and multi-award-winning "one" app. New features were introduced again in 2021, including the ability to view the PIN, card number and CVV in the app. As a result, not only is Viseca making it easier to pay, it is also contributing significantly to ensuring that credit and debit cards remain secure means of payment.

In addition to the "one" app, open banking is another major area of digitisation in the payments market. Here, Viseca launched its first open finance offering based on API interfaces in 2021. This new offering enables company credit cards issued by Viseca and customer banks to be linked to the digital expense management solutions of a variety of third-party providers. SMEs thus benefit from considerably simplified processes for expense management. Further open finance offerings are planned.

With innovative solutions we are helping to make payments simple, secure and convenient – in line with our vision. As a result, Viseca is ideally positioned to benefit from further digitisation and to remain a leading player in the Swiss payments market in the future too.

# At a glance

## DISTRIBUTION OF REVENUE



# 605.3

million CHF

## EQUITY

This was the level of equity as at 31 December 2021. This corresponds to a very solid equity ratio of 68.8 percent.



# 682

## EMPLOYEES

were employed by Viseca as at 31 December 2021 (full-time equivalents), compared to 739 at the end of 2020.



# 2,806,459

## PAYMENT CARDS

of Viseca were in circulation as at 31 December 2021, which is an increase of 17.8 percent year-on-year.

# 880.2

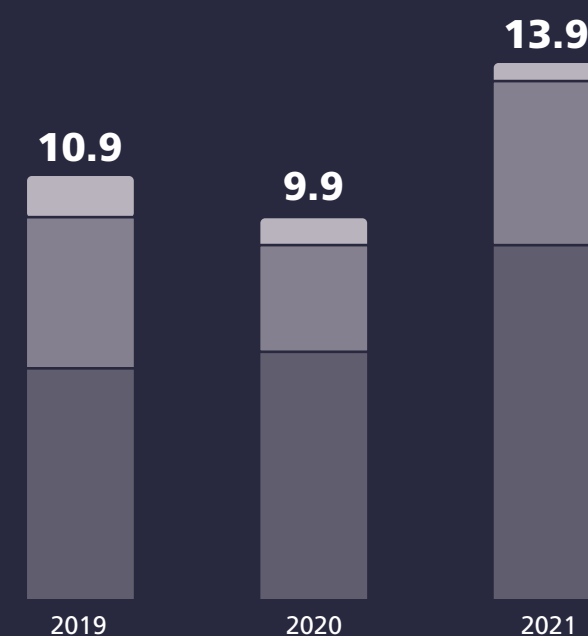
million CHF

## BALANCE SHEET TOTAL

As at 31 December 2021, the balance sheet total stood at CHF 880.1 million, down 22.9 percent on the previous year (2020: CHF 1 142 million). This decline is due to the repayment of the last outstanding bond on 16 July 2021. As a result, Viseca is no longer active on the capital market for the time being.

## TRANSACTION TURNOVER

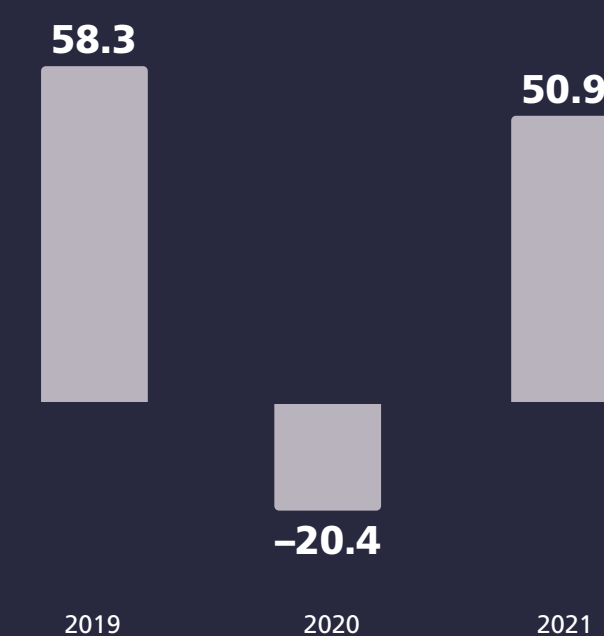
in CHF billion



■ Domestic ■ Europe (Intra) ■ Other countries (Inter)

## CONSOLIDATED EARNINGS

in CHF million





# Income statement and balance sheet

With 2020, a year dominated by the coronavirus pandemic, behind it, Viseca returned to profit in 2021. This pleasing result can primarily be attributed to a clear increase in transaction volumes in the second half of the year and to rigorous cost management. There were no non-recurring items in the income statement in 2021. With its good earnings situation and sound balance sheet, Viseca is ideally positioned for the future.

## Consolidated income statement as at 31.12.2021

in CHF thousands	2021	2020
Operating income	420,551	385,199
Operating expenses	-359,947	-455,127
<b>Earnings before interest and tax</b>	<b>60,604</b>	<b>-69,928</b>
Financial income	4,405	3,199
<b>Consolidated profit before income tax</b>	<b>65,009</b>	<b>-66,729</b>
Income tax	-14,066	46,310
<b>Consolidated profit</b>	<b>50,943</b>	<b>-20,419</b>
as % of operating income	12.1%	-5.3%

## Consolidated statement of financial position as at 31.12.2021

in CHF thousands	31.12.2021	31.12.2020
<b>Assets</b>		
Current assets	847,835	1,088,706
Non-current assets	32,313	53,289
<b>Total assets</b>	<b>880,147</b>	<b>1,141,995</b>
<b>Equity and liabilities</b>		
Short-term liabilities	265,490	560,872
Long-term liabilities	9,354	6,762
Equity*	605,304	574,361
<b>Total equity and liabilities</b>	<b>880,147</b>	<b>1,141,995</b>
*as % of balance sheet total	68.8%	50.3%

# Viseca – about us

As a leading company for payment cards, Viseca offers its customers tailor-made products and services for cashless payment. This includes the issue of payment cards for private and business customers, the provision of card business services for issuers and the development of innovative financial management solutions.



l-r: Michael Walther, CFO; Reto Gross, Managing Director of Viseca Card Services SA; Max Schönholzer, CEO; Stefan Kämpfer, CCO; Rolf Fischer, CIO.

// We firmly believe that paying must be easy, secure and convinient. So, as a leading Swiss fintech, we are constantly working on innovative, digital solutions and services for the cashless future. This allows our customer banks to focus on their core business. And it gives end customers complete control of their finances, any time, anywhere. //

## Our organization

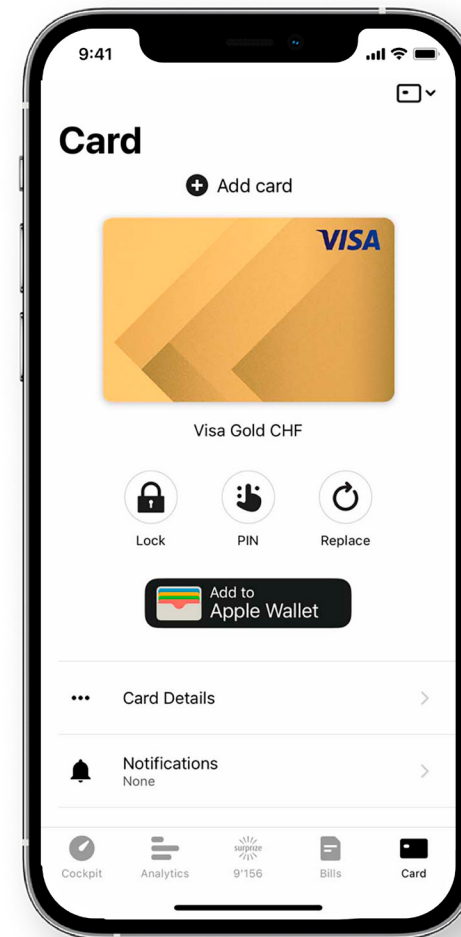


# More security when paying thanks to the “one” app

The average Swiss person attaches great importance to security, especially when it comes to money. These days, consumers have to protect themselves not only against traditional theft, but also against new threats such as digital card fraud (see [interview on page 12–13](#)). This makes it all the more important to ensure that paying is easy, secure and convenient, both in Switzerland and abroad, whether online or offline. Viseca’s multi-award-winning “one” app gives cardholders more control over their spending. This increases security and provides for a relaxed and enjoyable shopping experience – wherever and whenever.



Here’s a familiar scenario: You’re at the supermarket checkout, wanting to pay by credit card, but you can’t find it. Your card’s missing! What now? The “one” app allows cardholders to block their credit card temporarily within seconds. If the card does happen to turn up again later, they can activate it again with just one click. And, if not, they can order a replacement card directly in the app. In addition, every transaction is displayed in the “one” app in real time. Long waiting times, and especially the uncertainty as to whether the card has been misused, are a thing of the past.



“Thanks to Viseca’s multi-award-winning “one” app, cardholders always have control over their spendings.”

## Secure online shopping thanks to 3D Secure

The “one” app can do so much more. Forgotten your PIN or CVV? No problem – just take a look in the app. For online payments, “one” also relies on modern and secure two-factor authentication. This is quite simple. If a payment is made by card in an online shop, the customer receives a push notification on his or her smartphone. The online payment can be conveniently checked and confirmed in the “one” app, assuming that everything is correct. This completes the payment. If, on

the other hand, the amount is not correct or something else is suspicious, the transaction can be cancelled easily with just one click. This means that users are always in control, even when shopping online.

## Not only secure, but also easy and convenient

This method not only offers a high degree of security, it is also extremely user-friendly. That’s because convenience is also important – paying is a necessary but largely emotionless process and should therefore be as barrier-free as possible. Alongside the security aspect, this was

a key metric in the development of the “one” app’s design. Customers appreciate this. With a rating of 4.6/5 stars in the Google Store and 4.7/5 stars in the Apple Store (as of April 2022), Viseca’s “one” app is one of the most popular Swiss financial apps. We’re quite rightly proud of this!



# Up close with the fight against fraud – how Viseca protects its customers

Card fraud is as old as the credit card, though the methods are becoming increasingly sophisticated. While the focus used to be on traditional theft, these days fraudsters are relying more and more on digital attacks to obtain card data, so fraud prevention and cyber security are very important. Viseca is one of the leading companies in Switzerland in these areas. In an interview, Adrian Rogg and Patrick Dessouslavy explain what Viseca is doing to combat card fraud and how three French internet fraudsters came to be arrested by the Zurich Cantonal Police.

## How does Viseca fare in the areas of fraud prevention and cyber security?

**Patrick Dessouslavy:** Viseca has a strong track record in the fight against fraud going back many years. We put a lot of effort in very early on and now have a comprehensive prevention policy in place. In 2021, we succeeded in preventing fraud attempts worth a total of 10.5 million Swiss francs. This corresponds to a 94% increase on 2019, the last year before the Covid outbreak.

**Adrian Rogg:** As a credit card company, we are PCI DSS certified. This industry standard governs the secure handling of credit card data. In addition, in the area of cyber and information security, we are guided by international standards such as the ISO 2700x series and the NIST Cybersecurity Framework. We also operate a Security Operation Centre in collaboration with Kudelski Security, where we monitor our systems on an ongoing basis.



Adrian Rogg, Head of Cyber & Information Security and Patrick Dessouslavy, Head Operations Risk Management

**“In 2021, we succeeded in preventing fraud attempts worth a total of 10.5 million Swiss francs thanks to fraud prevention and cyber security.”**

## What are the main dangers that Viseca is exposed to?

**Adrian Rogg:** One of the main dangers, both for our customers and for Viseca itself, is undoubtedly phishing. Such fake e-mails or SMS, which fraudsters use to try to obtain our customers' card data or Viseca's business-relevant data, are commonplace nowadays.

## What is Viseca doing to protect itself and its customers?

**Patrick Dessouslavy:** When we saw that fraud was shifting more and more to the Internet, we set up an internal Cyber Fraud Team. This brought together our experts in the areas of cyber security and fraud prevention.

**Adrian Rogg:** In 2020, we then formed from this Cyber Fraud Team a dedicated task force that continuously analyses the latest forms of fraud and develops measures to combat them. In parallel, we built a network of external partners, including the telecommunications industry and the Zurich Cantonal Police's cybercrime task force.

## In all honesty, that sounds like a lot of legwork. Are there any exciting moments too?

**Patrick Dessouslavy:** Patrick Dessouslavy: That's true, and it's partly the nature of our work. Combating fraud is a never-ending arms race between us and the attackers. So, we don't usually talk much about what we're doing because that could play into the

hands of the fraudsters. But there are certainly visible successes.

**Adrian Rogg:** Last September, we uncovered three French fraudsters. The scam they were using was familiar to us from abroad. But now suddenly we were registering fraudulent transactions in Zurich. We reacted very quickly and informed the Zurich Cantonal Police's cybercrime task force. And our tip paid off. Soon after that, the police arrested the three fraudsters. Such actions are exceptions, of course, but they illustrate the importance of our work.

# Good all-round insurance with credit cards from Viseca

Viseca's credit cards come with extensive insurance benefits as a rule. While these are not completely free, they do offer the decisive advantage that Viseca is on hand to help if something goes wrong. Whether luggage is lost during a trip or a new smartphone is accidentally dropped and stops working soon after it is purchased, customers are always in safe hands with a credit card from Viseca.



New debit cards from Mastercard and Visa have caught up with credit cards in some respects. They can now also be used for online shopping and indeed almost everywhere in the world. However, there are a number of areas in which they are not yet on a par with credit cards, one of these being security. Every Viseca credit card offers insurance cover. Generally speaking, the more high-end the product, the more extensive the additional benefits and services.

## In Switzerland and abroad, online and offline

Two of the most widely used insurance offerings when it comes to purchases are the price protection insurance and the automatic extended warranty for electronic devices. Though cardholders enjoy numerous benefits and services on their travels too. What if an illness or accident prevents you from travelling? No problem, Viseca will cover the cancellation costs. What if your

luggage has not arrived or has been stolen? Viseca will cover the loss and help you to purchase essentials. These are just a few examples.

Thanks to these and other insurance benefits, anyone who holds a Viseca credit card is always in safe hands – for carefree shopping and safe travel.

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