

Media release

Aduno Group records robust growth in the first half of 2018

The Aduno Group, Swiss specialist in cashless payments, personal credit and leasing, recorded a successful performance in the first half of 2018. Bolstered by positive consumer sentiment and strong international business, the Payment business grew significantly and for the first time exceeded the 1.5 million mark in cards issued. The Consumer Finance division posted growth in both its personal credit and its leasing business.

Zurich, 16 August 2018 – In the first half of 2018 the Aduno Group increased its turnover by 6.9 per cent compared to the prior-year period to reach CHF 236.9 million (on a like-for-like basis, without the acquiring and terminal business divested in 2017). Both the cards business (Payment division) and the personal credit and leasing business (Consumer Finance division) posted growth compared to the prior-year period.

Conrad Auerbach, CFO and CEO ad interim of the Aduno Group: *“The Aduno Group can once again look back on a successful first half of the year. The main engine of growth was Payment, with a significant expansion in business volumes. The high level of new sales in the cards business was particularly gratifying and creates a good basis for future earnings growth. More cards were sold within a half-year period than at any time since the Aduno Group was established.”*

Operating margin posted renewed increase

Net operating income for the first half of 2018 amounted to CHF 59.7 million, compared to CHF 54.4 million in the prior-year period. The operating margin also improved year-over-year, from 24.5 per cent to 25.2 per cent. Net profit in the first half of 2018 was CHF 49.4 million.

As at mid-2018, the Aduno Group employed 731 staff (full-time equivalents), compared to 823 staff as at mid-2017.

Payment business benefits from cash substitution and online commerce

In the first six months of 2018 the Payment business registered robust growth and increased its transaction volume by 11.3 per cent to CHF 4.8 billion. While domestic volumes were up by 9.5 per cent, volumes abroad rose by 13.3 per cent. This considerable expansion reflected both the increase in the euro exchange rate and, in particular, above-average growth in the consumer, transport, entertainment and tourism sectors, with a large part achieved through online business. In domestic bricks-and-mortar business, a significant rise in contactless transactions was recorded. The average transaction volume per card rose, too, which underlines ongoing cash substitution.

New sales of credit cards were also at a record level, with credit card package solutions in particular enjoying increasing popularity with bank customers. A factor in the solid performance in new sales was the launch of the Debit Mastercard® and Mastercard® Flex in conjunction with Freiburger Kantonalbank and Neuenburger Kantonalbank. The Aduno Group is the first issuer of these payment cards, which combine the familiar advantages of debit cards with the functions of a credit card, such as global acceptance and online shopping. Overall the number of cards in circulation from the Aduno Group topped the 1.5 million mark in cards issued for the first time.

Digital transformation driven forward

The digital transformation of its business continued to keep the Aduno Group hard at work in the period under review. New digital services were launched in connection with credit, debit and prepaid cards. For instance, at the end of March the mobile payment solutions Fitbit Pay and Garmin Pay

were introduced. Customers of all partner banks can use these smartwatches at all contactless payment terminals to make secure and swift payments around the world. In April, the mobile payment solution for Android smartphones, developed by the Aduno Group in collaboration with the joint venture SwissWallet, was launched at some initial partner banks. This means that customers with an Android smartphone can likewise make secure and convenient contactless payments around the world.

The success story that is the VisecaOne app continues unabated: 60 per cent of customers use the app, many of them doing so daily, enabling them to check and approve e-commerce payments easily and securely on their smartphones. This level of penetration is outstanding for the financial sector. The VisecaOne app was further expanded in the year under review. As one of a number of planned self-service functions, customers can now order a new PIN code using the app. This process is automated from end to end and is therefore not only customer-friendly and secure, but also cost-efficient.

Another success story is the software for finance management made available by the subsidiary Contovista. Twenty shareholder banks of the Aduno Group are already using the solution to offer their customers additional services in e-banking and thereby ultimately provide them with a more attractive customer experience.

Consumer Finance business defies challenging market environment

The Consumer Finance division, with the personal credit and leasing products offered by cashgate, posted an increase in new business in the first half of 2018 of 8.2 per cent to CHF 499.2 million. This enabled cashgate to maintain its position in a hard-fought market. In view of the fierce competition, strict cost control remained a key area of focus.

In the personal credit segment, the volume of new business rose by 5.5 per cent. Overall volumes rose by 5.6 per cent, a somewhat sharper increase than in the prior-year period. The leasing segment increased the volume of new business by 11.5 per cent in the first half of 2018, while the growth in overall volumes accelerated appreciably at 12.7 per cent. The collaboration with an innovative car producer launched last year proved particularly fruitful.

Outlook

The Aduno Group looks towards the second half of 2018 with confidence. It is likely that consumer sentiment will remain positive, interest rates low and exchange rates stable. Thus, conditions are right that 2018 will be another very good year. The Aduno Group will continue on its growth path, develop the business in conjunction with its partners and drive forward its strategic projects. Among other things, the plan in the second half is to launch the Debit Mastercard® products at additional banks and to add further self-service functions to VisecaOne.

The full online Half Year Report 2018 is available at reports.aduno-gruppe.ch

Aduno Group – the smart way to pay

The Aduno Group offers products and services for cashless payment: from card issuing activities (Viseca Card Services SA) to personal loans and leasing (cashgate AG) to deposit guarantees (AdunoKaution AG and SmartCaution SA). As a leading company for private and business clients, the Aduno Group is a fair and transparent partner. The Aduno Group is wholly owned by the largest Swiss retail and cantonal banks (Raiffeisen Group, all the cantonal banks, Migros Bank, Bank Cler and a number of commercial and private banks).

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