

# Annual Report

23

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## Financial Report

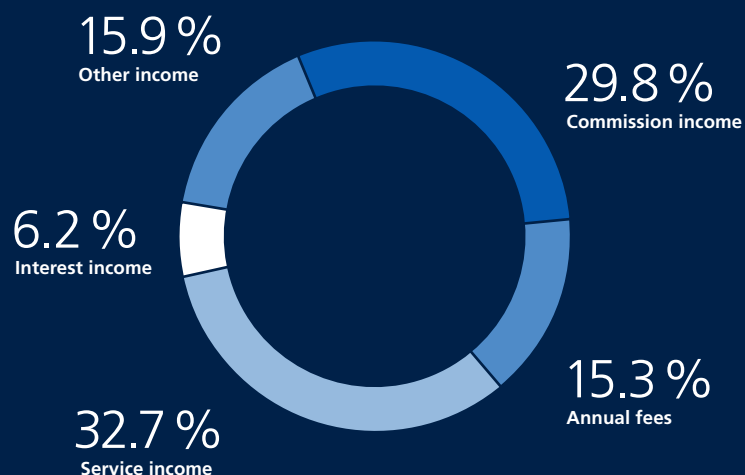
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# At a glance

Financial year		2023	2022	2023/2022
Revenue	in CHF million	504.6	501.2	0.7%
Ordinary result	in CHF million	148.8	132.5	12.3%
in % of revenue	%	29.5%	26.4%	
Consolidated profit	in CHF million	119.6	118.4	1.0%
in % of revenue	%	23.7%	23.6%	
Total assets	in CHF million	1,527.4	1,204.1	26.9%
Equity	in CHF million	783.3	703.7	11.3%
in % of total assets	%	51.3%	58.4%	
Earnings per share	in CHF	4,783	4,737	1.0%
Card portfolio	in 1,000	4,249	4,078	4.2%
Transaction revenue	in CHF billion	35.0	23.8	47.2%
Number of employees (full-time equivalents as at 31 December)	in FTE	774	762	1.6%

# At a glance

## Distribution of revenue



**1,527**  
 CHF million

### Total assets

As at 31 December 2023, total assets stood at CHF 1,527.4 million, compared to CHF 1,204.1 million in the previous year.

## Payment cards

Viseca payment cards in circulation as at 31 December 2023, an increase of 4.2% compared to the previous year.

4,248,696

**783**  
 CHF million

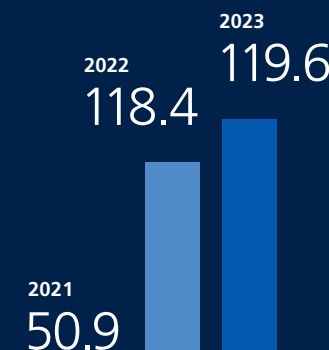
### Equity

This was the equity amount as at 31 December 2023, which corresponds to a solid equity ratio of 51.3%.

## Employees

People employed by Viseca as at 31 December 2023 (full-time equivalents), compared to 762 employees at the end of 2022.

774



### Profit for the period in CHF million

As at 31 December 2023, consolidated profit was CHF 119.6 million, compared to CHF 118.4 million in the previous year.

# Dear shareholders,

Viseca was able to build on the previous year's successes in 2023. The transaction volume rose from CHF 23.8 billion in the previous year to CHF 35.0 billion, just over half of which involved the new debit products. At the end of 2023, Viseca offered services for over 4.2 million debit and credit cards. Viseca's revenue rose by 0.7% to CHF 504.6 million, and profit increased from CHF 118.4 million to CHF 119.6 million, with the 2022 result still including significant positive special effects.

As expected, the strong card growth has weakened, since most Swiss banks have now introduced the new debit products. However, the payment market is still very much in flux. In 2023, the transaction volumes of Twint and debit cards grew significantly, while credit cards hardly increased at all from the second quarter onwards. In this environment, Viseca was nevertheless able to increase its market share for debit and credit cards. We are pleased that we were able to renew numerous contracts in both the credit and debit business, some of which have been in place for many years, and this gives us stability for the future.

In terms of products and services, we were once again able to set milestones last year. Together with a customer bank, we were able to launch the first virtual debit card. Virtualisation of payment cards will continue to gain in importance, which makes this first successful step all the more important for us.

At the "Best of Swiss Web Awards", we were honoured with two silver awards in the



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

**Max Schönholzer**  
 Chief Executive Officer

"Technology" and "Digital Commerce" categories for the digital onboarding of the Migros Cumulus credit card. In 2024, we will implement this digital onboarding process in the one app for another customer.

We also made great progress last year with work on the renewal of the Gold and Silver credit cards for private customers. The relaunch of these two crucial earnings pillars boosts customer benefits, just as the relaunch of the Platinum credit card did around two years ago. This has paid off in the form of significant growth in cards and transactions.

The number of fraud attempts has risen sharply in the past year, so Viseca has continued to invest heavily in systems and resources to combat fraud in 2023. The debit banks in particular appreciate the Carefree package that Viseca offers in terms of fraud analysis and case processing, which frees them from having to build up internal resources.

We have also invested significantly in further enhancing cybersecurity over the past twelve months, and we have tested initial applications in the fields of robotics and AI. We see great potential in these technologies for

Number of Viseca cards in circulation

4.2 million

further improving our systems and processes.

Viseca has now taken a structured approach to the topic of sustainability, with sustainability reporting developed as part of this. To reduce the use of plastic, the card term was increased from three to five years, which will reduce plastic consumption by 40% in the medium term. In addition, recycled plastic will be used almost exclusively for cards in future.

In order to strengthen our customer focus and quality going forward, we have launched the Viseca Payment Academy – an internal training initiative centred around payment topics. After management staff were initially able to benefit from this last year, we will make the course modules available to all employees in 2024.

In October 2023, after a break during the period of negative interest rates, Viseca once again placed a bond on the Swiss capital market. This was in response to the change in the interest rate environment and the strong growth in payment cards in recent years. The bond also broadens Viseca's financing base.

Pedro Chapinal was elected to the Board of Directors of Viseca Payment Services SA at the Annual General Meeting on 1 June 2023. He replaces Rudolf Dudler, who has been with Viseca since its foundation. We also welcome Stefan Brunner as a member of the Executive Board in the newly created position of Chief Product Officer. He takes up his position as of 1 March 2024 and will continue to drive forward the digitalisation of Viseca in the interests of our customers.

We would like to thank our cardholders for the great trust they place in us – this is the basis of our success. Our thanks also go to our customer banks for their great support and constructive cooperation. And to our employees, we would like to express our sincere thanks for their tireless and professional commitment to serving our customers.



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



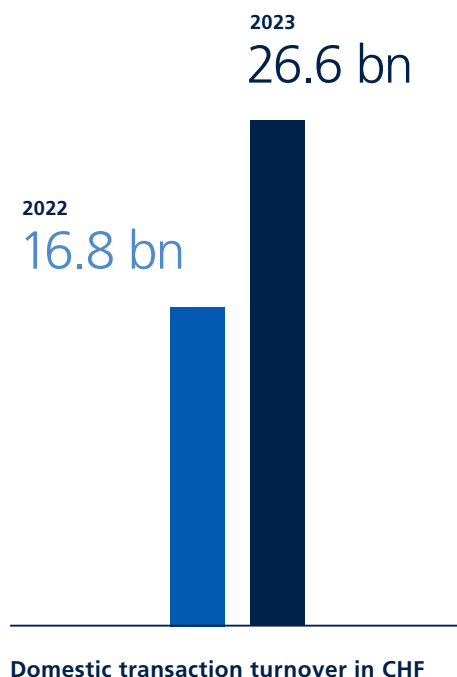
**Max Schönholzer**  
 Chief Executive Officer



# Reporting

# A solid 2023 with good prospects for Viseca

After the record year of 2022, growth levelled off somewhat last year, as expected. This is due, not least, to the fact that the migration to the new generation of debit cards in the Swiss market is almost complete. Together with consistent cost management, this resulted in a slight increase in both revenue and profit for the period. There is a clear shift in the distribution of income in favour of service income – a consequence of the expanded business model. The card portfolio continued to increase in 2023, albeit to a lesser extent than in the previous years, and now stands at 4.2 million payment cards. Viseca is confident about 2024.



Revenue and profit for the period remained stable in 2023: compared to the previous year, revenue increased by 0.7% to CHF 504.6 million (2022: CHF 501.2 million), while the profit for the period of CHF 119.6 million was 1.0% higher than in the previous year (2022: CHF 118.4 million). The stable financial position is due to consistent cost management. The shift in the distribution of income in favour of service income, which could already be observed in 2022, was further accentuated last year: while service income increased by 96.1% to CHF 165.2 million, commission income (-9.8%), annual fees (-31.0%) and other operating income (-25.1%) fell. The latter had still benefited from various one-off special effects in 2022 that ceased to apply in 2023. Interest income increased by 0.2%. The income shift is due to the division of the business into an issuing and a service division: the various migrations to the issuer model in 2022 were fully recognised in income for the first time last year.

## Significant increase in transaction revenue

The transaction volume for the 2023 financial year amounts to CHF 35,040 million, which represents an increase of 47.2% compared to the previous year (2022: CHF 23,807 million). The structural change resulting from the expanded business model can be observed here, too: Viseca's business success no longer depends solely on card use, as service income is largely independent of transaction volumes. Viseca is therefore more crisis-resistant today than it was a few years ago. The year-on-year increase in the debit business of 95.9% was particularly significant, with increases in the "Services", "Travel" and "Entertainment" segments in particular. Once again, the transaction volume increased across all geographical segments: growth was 58.2% domestically, 19.0% in the eurozone and 30.5% in the rest of the world. Growth in the card portfolio has levelled off considerably compared to the previous year: as at 31 December 2023, 4,248,696 Viseca payment cards were in circulation (2022: 4,077,896). This corresponds to an increase of 4.2%. This is primarily due to the issue of new Cumulus credit cards and organic growth

## Growth in transaction volume in the eurozone

19.0 %



in debit cards. As at 31 December 2023, Viseca had 774 employees (full-time equivalents), compared to 762 employees at the end of 2022.

### **Solid capitalisation**

Total assets amounted to CHF 1,527.4 million as at 31 December 2023, compared to CHF 1,204.1 million in the previous year. Equity amounted to CHF 783.3 million, which corresponds to an equity ratio of 51.3% as at the reporting date. This means that the equity ratio is slightly below the previous year (2022: 58.4%). During the month, the equity ratio falls to around 35–40%. These fluctuations are the result of card receivables accruing, which are financed by Viseca in the interim by means of bank loans. At the end of each month, the card receivables are settled by the cardholders. In this context, Viseca issued a 2.25% bond for CHF 250 million on 27 October 2023. By issuing the new bond, Viseca is broadening its financing base and laying the financial foundations for further growth in the coming years. This means that Viseca is also active on the capital market again, having refrained from capital market financing since July 2021 due to negative interest rates.

### **Outlook for 2024**

Viseca is confident about 2024. The expanded business model has proven its worth over the past two and a half years and is now a key financial success factor. This area is likely to grow even further in the future. In addition, innovations in relation to existing card products are planned for the current year.

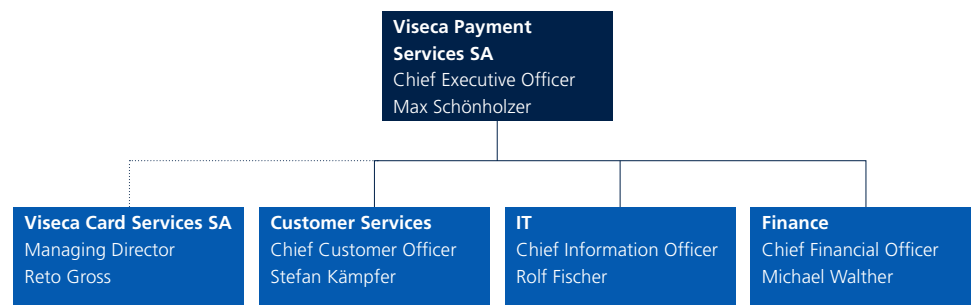
Stefan Brunner also joined Viseca from UBS on 1 March 2024. In his role as Chief Product Officer, he and his teams will continue to drive forward the digitalisation of the company. Viseca is thus ideally positioned to continue to play a leading role in the Swiss payment market in the future, enabling Swiss cardholders to make cashless payments anytime and anywhere – simply, securely and conveniently.



# Corporate Governance

# Group structure

Viseca is committed to providing clear, transparent information and to safeguarding the interests of shareholders and investors. This chapter describes the principles of management and control at the highest corporate level of Viseca.



Viseca Payment Services SA, based in Zurich, directly owns all companies belonging to Viseca. The scope of consolidation includes non-listed companies only. The management struc-

ture of Viseca's operating Group companies – consisting of Viseca Payment Services SA and Viseca Card Services SA – is shown in the organisational chart above.

## Major shareholders

The following shareholders held stakes of more than 3% of the company as at 31 December 2023.

Shareholder	Number of shares	Percentage holding
Raiffeisen Suisse Cooperative	6,382	25.5%
Zürcher Kantonalbank	3,679	14.7%
Entris Banking AG	3,500	14.0%
Migros Bank AG	1,750	7.0%
Banque Cantonale Vaudoise BCU	1,201	4.8%
Berner Kantonalbank	918	3.7%
EFG Bank AG	893	3.6%
Basellandschaftliche Kantonalbank	771	3.1%

There is a shareholders' agreement binding on all shareholders. The contracting parties are all Swiss cantonal banks, Raiffeisen Suisse Cooperative, Entris Banking AG, Migros Bank AG, EFG Bank AG and Bank Cler AG. The agreement was last renewed in 2010 for another ten years. Since 2020, it has been automatically extended by one year every year. No shareholders gave notice in the reporting year.

# Capital structure

## Shares and participation certificates

The share capital of Viseca Payment Services SA of CHF 25 million as at 31 December 2023 is divided into 25,000 fully paid-up registered shares with restricted transferability and a nominal value of CHF 1,000. All shares are fully entitled to dividends for financial year 2023. There are no participation certificates.

## Changes in equity

Changes in equity over the past three years are shown below (values as at 31 December every year):

In CHF 1,000	2023	2022	2021
<b>Equity</b>			
Share capital	25,000	25,000	25,000
Capital reserves	94,101	94,101	94,101
Retained earnings	664,200	584,618	486,202
<b>Total equity</b>	<b>783,301</b>	<b>703,717</b>	<b>605,304</b>

## Restriction of transferability

The transfer of shares is restricted in accordance with the bylaws and requires the approval of the Board of Directors, who can refuse approval for the reasons listed in the bylaws. The shareholders are bound by a shareholders' agreement, pursuant to which the transfer of shares of the company is limited. All parties to the shareholders' agreement have a right of first refusal to the shares of a shareholder wishing to sell its shares. If any first privileges are not exercised or are incompletely exercised, remaining shares may be transferred to a third party. In addition, all parties to the shareholders' agreement have a pre-emptive right to buy shares vis-à-vis any third-party buyer. Finally, in the case of specific events as described in the shareholders' agreement, every shareholder has a right to purchase the shares of a shareholder having to sell its shares. No exceptions were approved by the Board of Directors in the reporting year.

There is no percentage clause. The registration of nominees is not generally excluded. However, the Board of Directors can refuse to give its approval if the buyer does not explicitly declare that it has acquired the shares in its own name and on its own behalf.

The transferability restrictions pursuant to bylaws can be cancelled by an amendment to the bylaws approved by the Annual General Meeting.

# Board of Directors

The Board of Directors of Viseca Payment Services SA consists of seven members. Their CVs are based on information available to the company. The main mandates are listed.



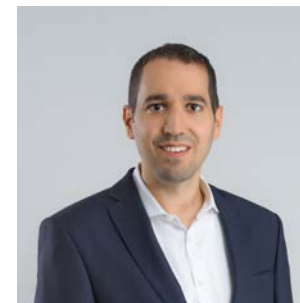
**Pascal Niquille,  
Chairman**

Swiss citizen  
Pascal Niquille became a member of the Board of Directors in 2015 and has been Chairman of the Board of Directors of Viseca Payment Services SA since 2017.  
Pascal Niquille studied law at the University of St. Gallen and graduated with a lic. iur. degree from HSG. He then worked for UBS in various roles in Switzerland and abroad. From 2009 until the end of February 2021, he was Chairman of the Executive Board and Chief Executive Officer of Zuger Kantonalbank. Since then, as an independent member of the Board of Directors, he has been a member of various bodies, including the Board of Directors of Finnova AG Bankware.



**Roland Altwegg  
Member**

Swiss citizen  
Roland Altwegg has been a member of the Board of Directors since 2022. Since September 2021, he has headed the "Products & Investment Services" department at Raiffeisen Suisse. Prior to this, he worked for more than ten years in various management roles at Raiffeisen Suisse. Before joining Raiffeisen, he was Head Market Risk at Bank Sarasin. Roland Altwegg studied economics at the University of Basel and is a qualified financial analyst and asset manager as well as a Certified International Investment Analyst (CIIA).



**Pedro Chapinal  
Member**

Swiss-Spanish dual citizen  
Pedro Chapinal has been a member of the Board of Directors since 2023. He has been with EFG Bank AG since 2016, most recently as Head of Transformation and Change and Senior Vice President. Before joining EFG Bank, he worked at Finter Bank Zurich Ltd from 2013 to 2016, most recently as COO, where his responsibilities included the integration of Finter Bank into Bank Vontobel AG as part of the takeover. He has also held positions at Arab Bank (Switzerland) Ltd., BT Global Services in Amsterdam and Credit Suisse in Zurich. Pedro Chapinal studied Communication and Computer Science at ZHAW and holds a master's degree in business administration from the University of Rochester.



**Manuel Kunzelmann  
Member**

Swiss citizen  
Manuel Kunzelmann became a member of the Board of Directors in 2020. He has been CEO of Migros Bank AG since May 2020. Before moving to Migros Bank, he held various management positions at Basellandschaftliche Kantonalbank from 2009, most recently as a member of the Executive Board, where he was responsible for the Strategy and Market Performance division. Before that, he worked for UBS for ten years in various management roles. In addition to his work for Viseca, he is Chairman of the Pension Foundation and of the Vested Benefits Foundation of Migros Bank AG. He is also Chairman of the Board of the CYP Association and a member of the board at the Koordination für Inlandbanken organisation (KIB). Manuel Kunzelmann holds a degree in business administration from a university of applied sciences, has completed an MAS FHO in Business Information Management and holds an Executive Master of Business Administration qualification from the University of Zurich.



**Christian Meixenberger**  
Member

Swiss citizen  
Christian Meixenberger has been a member of the Board of Directors since 2014. As a member of the Executive Board of Banque Cantonale Vaudoise (BCV), he has been responsible for the management of the Services division since 2017. From 1997 to 2016, he worked at Banque Cantonale de Fribourg, most recently as the member of the Executive Board responsible for the Service Centre. He previously worked for three years at Credit Suisse in Geneva, where he headed up the Organisation and IT departments. From 1987 to 1993, he was an engineer and, most recently, deputy head of the department for computer-aided development at the Centre Suisse d'Electronique et de Microtechnique SA in Neuchâtel. Christian Meixenberger graduated from the University of Neuchâtel with a master's degree in physics and electrical engineering, and he has an MBA from the Business School in Lausanne.



**Daniel Previdoli**  
Member

Swiss citizen  
Daniel Previdoli has been a member of the Board of Directors since 2015. He has been a member of the Executive Board of Zürcher Kantonalbank since 2007 and Head of the Products, Services and Direct Banking business unit since 2014. Prior to this, he worked for 11 years at UBS and held various functions at Credit Suisse both in Switzerland and abroad between 1987 and 1996. In addition to his work for Viseca, he is Chairman of the Board of Directors of Swisssanto Fondsleitung AG, a member of the Board of Directors of Swisssanto Holding AG and Twint AG, and Vice Chairman of the Greater Zurich Area Foundation. Daniel Previdoli studied economics and social sciences at the University of Fribourg and graduated with a lic. rer. pol. degree.



**Christoph Wille**  
Member

Swiss citizen  
Christoph Wille has been a member of the Board of Directors since 2022. Since April 2022, he has been Head of Customer Services and Products at Valiant Bank AG. Prior to that, he had been Head of Customer Services and Channels at Valiant Bank AG since January 2015. Before joining Valiant, he held various positions at Cognizant GmbH and at IBM (Schweiz) AG. Christoph Wille studied law at the University of Zurich and holds an MBA from Henley Management College in the UK.

### Election and term of office

In accordance with the principle of re-electing the entire Board of Directors, the members of the Board of Directors are usually elected at the Annual General Meeting for a term of three years. Re-election is possible. The term of office ends on the date of the Annual General Meeting held in the final year of the Board members' term of office. New members continue the term of office of their predecessors. The current term of office runs until the Annual General Meeting in 2026.

### Internal organisation

The Board of Directors is responsible for the overall direction and management of Viseca Payment Services SA. It is authorised to pass resolutions on all matters that are not reserved for or assigned to the Annual General Meeting or another governing body of the company in accordance with the law, the bylaws or the regulations. The Board of Directors may appoint individual committees and delegate specific tasks and responsibilities to these committees. The activities of the committees are governed by regulations that must be approved by the Board of Directors.

# Executive Board of the operating companies



From left to right  
**Stefan Kämpfer**  
Chief Customer Officer

**Rolf Fischer**  
Chief Information Officer

**Max Schönholzer**  
Chief Executive Officer

**Michael Walther**  
Chief Financial Officer

**Reto Gross**  
Managing Director of  
Viseca Card Services SA

### **Max Schönholzer** **Chief Executive Officer**

Swiss citizen

Max Schönholzer has been Chief Executive Officer of Viseca Payment Services SA since September 2018. He previously worked for Zurich Insurance, among other companies, for 15 years, most recently as a member of the Executive Board and Head of Claims at Zurich Switzerland. Between 2017 and 2018 he was CEO of health insurer Sanitas. Max Schönholzer earned the qualification of Dipl. Phys. ETH and went on to qualify as a Master of Business Administration at Harvard Business School in Cambridge, USA.

### **Michael Walther** **Chief Financial Officer**

Swiss citizen

Michael Walther has been Chief Financial Officer of Viseca Payment Services SA since January 2021. He also performs this function for Viseca Card Services SA through a service mandate. He previously worked at Arbonia for nine years,

most recently as CFO of the Windows division. Between 2009 and 2011, he worked as Group Controller/Head of Controlling International Division at Stadler Rail Group. Prior to that, he worked at EY for around six years in the auditing department. Michael Walther is a qualified auditor and holds a degree in business administration from the University of Applied Sciences of Eastern Switzerland.

### **Stefan Kämpfer** **Chief Customer Officer**

Swiss citizen

Stefan Kämpfer has been Chief Customer Officer of Viseca Payment Services SA since August 2020. Prior to that, he worked for more than 15 years in various functions at Viseca Card Services SA, most recently in the role of Head of Business Management and Deputy Chief Operating Officer. Other previous employers include Payserv AG and Europay (Switzerland) AG, where he held

various positions in the Issuing and Acquiring divisions. Stefan Kämpfer qualified as a management IT specialist at the SIB and has completed further training in the St. Gallen General Management Programme.

### **Rolf Fischer** **Chief Information Officer**

Swiss citizen

Rolf Fischer has been Chief Information Officer of Viseca Payment Services SA since August 2020. He was previously CIO at Sanitas health insurance company. Having started out in the banking sector, he then spent 19 years at Zurich Insurance. Among other roles, he was Head of IT for the Zurich Insurance Group in Sweden, Norway, Denmark, Finland, Belgium and France. As Head of Division, he was also responsible for the operational use of various applications in the International Key Account division of Zurich Insurance, and as a project manager he headed up various major projects ranging from data centre infrastructure and software development to big data

and analytics. Rolf Fischer holds a degree in computer science from ETH Zurich.

### **Reto Gross** **Managing Director of** **Viseca Card Services SA**

Swiss citizen

Reto Gross has been Managing Director of Viseca Card Services SA since September 2020. Before moving to Viseca, he was most recently Regional Head Sales Financial Services at Worldline (formerly SIX Payment Services), where he was responsible for Switzerland, Austria and Eastern Europe. Prior to that, he was responsible for various sales organisations at Netcetera and Swisscard AECS and worked as an independent consultant. His professional career began with a stint in Swiss aviation between 1988 and 2004. Reto Gross holds a degree in business administration from the University of Applied Sciences Basel and a Master of Advanced Studies in Digital Business from Zurich University of Applied Sciences in Business Administration.



## Auditing body

KPMG, Zurich, has been the auditor of Viseca Payment Services SA since its foundation. The responsible lead auditor has fulfilled this function since the 2019 financial year. The fee paid to KPMG as Group auditor for services in connection with the audit of the Annual Financial Statement of Viseca Payment Services SA and the subsidiary as well as the consolidated financial statements of Viseca amounted to CHF 0.7 million in the 2023 financial year. In addition, Viseca recognised CHF 0.2 million in the 2023 financial year for other services provided by KPMG. Of this amount, CHF 0.2 million was attributable to audit-related services.

## Sustainability

In 2023, Viseca's Board of Directors decided to formalise sustainability management and integrate it into the existing risk management processes. The work associated with this decision began in the reporting year, and Viseca has thus started to systematically review and improve its business practices with regard to sustainability. It has set itself targets to conserve resources or utilise them more efficiently, to reduce the impact of its actions on the environment, and to ensure that it acts fairly and ethically at all times.

Sustainable action helps Viseca to retain existing customers, acquire new ones, minimise risks, strengthen its reputation and act as a responsible company.

For this reason, Viseca is providing information on sustainability issues for the first time and is making three independent reports available that complement each other.

Sustainability reporting in accordance with GRI standards presents the sustainability issues that are material in Viseca's view. Reporting based on the recommendations of the Task Force on Climate-Related Financial Disclosures provides information on the management of climate-related opportunities and risks. Reporting in accordance with Art. 964a ff of the Swiss Code of Obligations reports on environmental, social and employee-related issues (including respect for human rights and the fight against corruption). This report must be approved by the Annual General Meeting and is published immediately after the Annual General Meeting.



WISECA 2023

CORPORATE GOVERNANCE

FINANCIAL REPORT

CONTACT / PUBLISHING DETAILS

# Financial Report

# Consolidated income statement

## Financial year

in 1,000 CHF	Note	2023	2022
Commission income	1.1	150,267	166,501
Annual fees	1.2	77,111	111,687
Service income	1.3	165,207	84,246
Interest income	1.4	31,520	31,447
Other operating income	1.5	80,451	107,356
<b>Operating income</b>		<b>504,555</b>	<b>501,237</b>
Processing and service expenses	1.6	–83,546	–91,535
Distribution, advertising and promotion expenses	1.7	–80,342	–88,470
Financing costs	1.8	–13,254	–5,209
Risk expenses	1.9	–4,444	–2,732
Personnel expenses	1.10	–104,461	–112,248
Other operating expenses	1.11	–69,833	–66,775
Depreciation of property and equipment	2.3	–1,389	–922
Amortisation of intangible assets	2.4	–178	–237
<b>Operating expenses</b>		<b>–357,446</b>	<b>–368,128</b>

in 1,000 CHF	Note	2023	2022
<b>Operating result</b>		<b>147,109</b>	<b>133,109</b>
Financial performance	1.12	1,663	–627
<b>Ordinary result</b>		<b>148,772</b>	<b>132,482</b>
Non-operating result	4.1	0	4,264
<b>Consolidated profit before income taxes</b>		<b>148,773</b>	<b>136,746</b>
Income taxes	1.13	–29,188	–18,332
<b>Consolidated profit</b>		<b>119,584</b>	<b>118,414</b>
<b>Earnings per share</b>			
Undiluted earnings per share (in CHF)	1.14	<b>4,783.35</b>	4,736.55
Diluted earnings per share (in CHF)	1.14	<b>4,783.35</b>	4,736.55

# Consolidated balance sheet

## Financial year

in 1,000 CHF	Note	31.12.2023	31.12.2022
<b>Assets</b>			
Cash and cash equivalents		325,106	171,565
Receivables from card business	2.1	1,140,139	977,963
Other receivables		26,375	21,237
Prepaid expenses	2.2	12,808	13,644
Inventories		4,197	3,823
<b>Total current assets</b>		<b>1,508,625</b>	<b>1,188,232</b>
Property and equipment	2.3	4,973	3,830
Intangible assets	2.4	385	236
Financial assets	2.5	13,415	11,752
<b>Total non-current assets</b>		<b>18,773</b>	<b>15,818</b>
<b>Total assets</b>		<b>1,527,398</b>	<b>1,204,050</b>

in 1,000 CHF	Note	31.12.2023	31.12.2022
<b>Liabilities</b>			
Payables to counterparties	2.6	293,405	192,092
Other payables		39,398	30,079
Financial liabilities	3.1	32,895	152,285
Provisions	2.7	13,196	19,734
Accrued expenses and deferred income	2.8	92,225	83,473
<b>Total current liabilities</b>		<b>471,119</b>	<b>477,663</b>
Financial liabilities	3.1	250,000	0
Provisions	2.7	16,270	16,396
Deferred tax liabilities		6,708	6,274
<b>Total non-current liabilities</b>		<b>272,978</b>	<b>22,670</b>
<b>Total liabilities</b>		<b>744,097</b>	<b>500,333</b>
<b>Equity</b>			
Share capital		25,000	25,000
Capital reserves		94,101	94,101
Retained earnings		664,200	584,616
<b>Total equity</b>		<b>783,301</b>	<b>703,717</b>
<b>Total liabilities</b>		<b>1,527,398</b>	<b>1,204,050</b>

# Consolidated statement of changes in equity

As at 31 December 2023		Share capital	Capital reserves	Retained earnings	Total equity
in CHF 1,000	Note				
Balance as at 1 January 2023		25,000	94,101	584,616	703,717
Consolidated profit		0	0	119,584	119,584
Dividends to shareholders	3.2	0	0	–40,000	–40,000
<b>Balance as at 31 December 2023</b>		<b>25,000</b>	<b>94,101</b>	<b>664,200</b>	<b>783,301</b>

As at 31 December 2022		Share capital	Capital reserves	Retained earnings	Total equity
in CHF 1,000	Note				
Balance as at 1 January 2022		25,000	94,101	486,202	605,304
Consolidated profit		0	0	118,414	118,414
Dividends to shareholders	3.2	0	0	–20,000	–20,000
<b>Balance as at 31 December 2022</b>		<b>25,000</b>	<b>94,101</b>	<b>584,616</b>	<b>703,717</b>

# Consolidated cash flow statement

## Financial year

in CHF 1,000

	Note	2023	2022
<b>Consolidated profit</b>		<b>119,584</b>	<b>118,414</b>
+ Depreciation of non-current assets		1,566	1,159
-/+ Decrease/increase in non-cash provisions		-6,665	5,157
+ Change in deferred taxes		435	6,506
- Profit from the sale of stakes in consolidated companies	4.1	0	-4,264
- Profit from the disposal of non-current assets		-1	0
-/+ Other non-cash income/expense		-1,663	627
Changes in net working capital			
- Increase in receivables from card business		-162,177	-196,592
-/+ Increase/decrease in inventories		-374	565
- Increase in other receivables and prepaid expenses		-3,975	-13,408
+ Increase in payables to counterparties		101,313	84,075
+/- Increase/decrease in other payables and accrued expenses and deferred income		18,072	-12,680
<b>Cash inflow/outflow from operating activities (operating cash flow)</b>		<b>66,115</b>	<b>-10,440</b>

in CHF 1,000

	Note	2023	2022
- Investments in property and equipment	2.3	-2,531	-2,399
+ Proceeds from sale of property and equipment	2.3	1	0
+ Proceeds from divestiture of financial assets (incl. loans, stakes, securities, etc.)	2.5	0	10,430
- Investments in intangible assets	2.4	-327	0
+ Proceeds from the sale of consolidated companies (less cash and cash equivalents transferred)	4.1	0	1,853
<b>Cash outflow/inflow from investing activities</b>		<b>-2,857</b>	<b>9,885</b>
- Dividend payments to shareholders	3.2	-40,000	-20,000
+ Proceeds of current financial liabilities	3.1	0	152,285
- Repayments of current financial liabilities	3.1	-119,390	0
+ Proceeds of non-current financial liabilities	3.1	249,673	0
<b>Cash inflow from financing activities</b>		<b>90,282</b>	<b>132,285</b>
<b>Net change in cash and cash equivalents</b>		<b>153,541</b>	<b>131,730</b>
<b>Cash and cash equivalents at the start of the reporting period</b>		<b>171,565</b>	<b>39,835</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>325,106</b>	<b>171,565</b>

# Notes

## Information about this report

Viseca Payment Services SA is based in Zurich (Switzerland) and, together with its subsidiaries (referred to as Viseca), provides financial services in the context of cashless payment as well as services in the management and processing of credit, payment and debit cards.

Subsidiaries	Services
<b>Viseca Card Services SA (Viseca Card Services)</b>	Viseca Card Services SA issues payment cards (issuing) under the brands of the credit card organisations (schemes) Mastercard and Visa. This is done under the individual brand or in co-branding with banks, retailers and other partners in Switzerland.
<b>Contovista AG (Contovista)</b>	Contovista AG develops and distributes software for banks in the areas of finance management and data analytics. This company was sold on 12 May 2022.

On 27 October 2023, Viseca issued CHF 250 million in bonds (Bonds CHF Domestic) and is therefore listed in Switzerland in the Swiss Reporting Standard of the SIX Swiss Exchange with ISIN number CH1290222467.

The Board of Directors approved the consolidated financial statements on 22 March 2024. The consolidated financial statements will be submitted to the Annual General Meeting scheduled for 6 June 2024 for final approval.

## Key accounting principles

### Basics of preparing financial statements

These consolidated financial statements give a true and fair view of the financial position, the cash flows and the results of operations at Viseca. They have been prepared in accordance with the existing guidelines of the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER full set of rules including Swiss GAAP FER 31 – supplementary recommendation for listed

companies). The consolidated financial statements are based on the annual financial statements of the Group companies prepared in accordance with uniform accounting principles as at 31 December. They follow the principle of historical cost of acquisition or cost of production unless a standard prescribes a different measurement basis for a financial statements item, or a different measurement basis is applied if this is provided as an option. The relevant accounting principles for understanding the consolidated financial statements are described in the specific explanations in the notes.

Asset items are reviewed on each balance sheet date to determine whether there are any indications of impairment. If there are any indications, the recoverable amount is determined and, if this exceeds the carrying amount, an appropriate posting is made in the income statement.

The consolidated financial statements are presented in Swiss francs, the company's functional currency. Unless otherwise stated, all financial information in Swiss francs has been rounded to the nearest thousand. This may result in rounding differences.

The consolidation and valuation principles have not changed compared to the previous year.

### Consolidation principles

The Group companies comprise those companies that are directly or indirectly controlled by Viseca Payment Services SA. Control is defined as the power to govern the financial and operating policies of an entity so as to benefit from them. This is usually the case when the Group holds more than half of the voting rights in an entity's share capital. Group companies are consolidated from the date on which control is transferred to the Group. Subsidiaries held for sale are excluded from the scope of consolidation from the date on which control ceases.

Capital consolidation is based on the purchase method. This means that the purchase price or carrying amount of the stakes is offset against the Group's share in the revalued equity of the consolidated companies at the time of acquisition or first-time consolidation. Any goodwill from the purchase of stakes is capitalised and amortised over five years. All Group-internal transactions, balances and unrealised gains and losses from transactions between Group companies are eliminated in full.

### Changes in the scope of consolidation

There were no changes in the reporting period.

The sale of Contovista AG took place in May 2022.

The detailed information can be found under section 4.1.

### Foreign currency transactions in corporate entities

The foreign currency transactions and items contained in the separate financial statements of the consolidated companies are translated as follows: foreign currency transactions are translated into the posting currency at the exchange rate as at the transaction date (spot rate). At the end of the period, monetary assets and liabilities in foreign currencies are recognised in the income statement at the exchange rate on the balance sheet date.

The most important exchange rates are:

Financial year	Average 2023	Average 2022	Balance at 31.12.2023	Balance at 31.12.2022
EUR 1	0.9812	1.0122	0.9424	0.9938
USD 1	0.9052	0.9634	0.8513	0.9325
GBP 1	1.1288	1.1848	1.0840	1.1237

### Assumptions and estimations of the management

In order to prepare the consolidated financial statements in accordance with Swiss GAAP FER, the management must make estimations, evaluations and assumptions that have an impact on the application of accounting and valuation methods and on the amounts shown for assets, liabilities, income and expenses. The estimations and associated assumptions are based on previous experience and various other factors deemed useful.

The estimations and underlying assumptions are regularly reviewed. Changes in estimations relating to the financial reporting are recognised in the periods currently under review and future periods affected.

### Change in the 2023 financial year

The shift in the distribution of income in favour of service income, which could already be observed in 2022, was further accentuated last year. This is a consequence of the expanded business model.

With the issue of the bond in October, Viseca adapted its financing structure to the new circumstances. The change can be seen in the balance sheet primarily in liabilities.



## Notes to the income statement

This section details the items from the income statement, in particular operating income, operating expenses, financial performance and income taxes.

### Segment reporting

Segment reporting is based on internal reporting, which is used by the Executive Board for corporate management purposes. The following table contains information on the business segments:

In CHF 1,000	Issuing		Service		Elimination / reclassifications		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Operating income	322,314	376,805	376,464	320,390	-194,223	-195,958	504,555	501,237
Profit for the period	16,526	46,559	103,057	71,854	0	0	119,584	118,414

The Issuing segment is responsible for issuing payment cards. It offers customer banks and end customers a wide range of state-of-the-art card products. The Service segment provides services for cashless payments via credit, prepaid, debit and customer cards for private and corporate customers and realises the associated transaction and customer services in this area. Intercompany consolidation items and reclassifications are shown under elimination/reclassification.

### 1.1 Commission income

In CHF 1,000	2023	2022
Interchange income	74,625	84,672
Commissions for foreign currency and foreign transactions	55,407	62,154
Other commission income	20,235	19,675
<b>Commission income</b>	<b>150,267</b>	<b>166,501</b>

These are transaction-based fees that are charged net to customers in all business areas.

### 1.2 Annual fees

In CHF 1,000	2023	2022
Annual fees	77,111	111,687

Annual fees are recognised on a straight-line basis over the term of the service contract and deferred accordingly.

### 1.3 Service income

In CHF 1,000	2023	2022
Service income	165,207	84,246

This item includes processing and other service income.

## 1.4 Interest income

In CHF 1,000	2023	2022
Interest income	31,520	31,447

This includes interest from short-term loans to credit cardholders. In the card business, credit cardholders can convert their credit card balance into a personal loan for which Viseca charges interest during the term.

## 1.5 Other operating income

In CHF 1,000	2023	2022
Foreign exchange gains or losses	51,310	45,949
Income from services	26,833	33,389
Other income	2,308	28,018
<b>Other operating income</b>	<b>80,451</b>	<b>107,356</b>

Foreign exchange gains or losses are recognised at the time the transaction is processed. The exchange rates for transactions in foreign currencies are based on the exchange rates of the card networks and are determined by Viseca. Most of the income from services comes from the customer card business. Other income in the previous year still includes revenue from Contovista as well as compensation from the portfolio transfers and from the premature cancellation of the Jumbo portfolio.

## 1.6 Processing and service expenses

In CHF 1,000	2023	2022
Card processing expenses	58,775	58,952
Service expenses	24,770	32,583
<b>Processing and service expenses</b>	<b>83,546</b>	<b>91,535</b>

Processing and service expenses include processing fees for service partners, fees for the use of the card organisations' global network and other service fees.

## 1.7 Distribution, advertising and promotion expenses

In CHF 1,000	2023	2022
Distribution channel remuneration	59,905	70,143
Expenses for customer retention	18,047	14,637
Advertising expenses	2,390	3,690
<b>Distribution, advertising and promotion expenses</b>	<b>80,342</b>	<b>88,470</b>

The distribution channel remuneration includes remuneration to distribution partners; this expense will be lower in 2023 due to the switch of some partner banks to the issuing model in 2022. Viseca offers a customer loyalty programme in which customers collect points with their card transactions, which are recorded in special points accounts. Customers can exchange the points for gifts, vouchers and annual fee credits.

## 1.8 Financing expenses

In CHF 1,000	2023	2022
Financing expenses	13,254	5,209

Financing expenses consist mainly of expenses for refinancing short-term card business. The increase in 2023 is due, on the one hand, to the rise in interest rates and, on the other, to the growth of the portfolios and the associated increase in financing requirements.

## 1.9 Risk expenses

In CHF 1,000	2023	2022
Losses on receivables from card business	2,917	1,307
Losses on receivables from fraud and chargebacks	1,527	1,425
<b>Risk expenses</b>	<b>4,444</b>	<b>2,732</b>

The loss on receivables from card business consists of actual bad debt losses and recoveries as well as the adjustment of expected credit losses in card business after the calculation of the expected credit loss (ECL). The sale of Accarda portfolios in 2022 made it possible to derecognise the corresponding bad debt allowance and thus reduce the loss on receivables.

The loss on receivables from fraud and chargebacks includes losses on receivables from fraudulent and chargeback transactions that do not represent a credit loss.

## 1.10 Personnel expenses

In CHF 1,000	2023	2022
Wages and salaries	84,355	78,289
Social insurance expenses	8,899	7,969
Employee pension benefit expenses	5,049	7,302
Other personnel expenses	6,158	18,688
<b>Personnel expenses</b>	<b>104,461</b>	<b>112,248</b>

Personnel expenses include expenses for employees. Other personnel expenses include the benefits of external employees and, in the previous year, a provision for the change of pension solution.

## 1.11 Other operating expenses

In CHF 1,000	2023	2022
Audit and professional services	32,292	32,685
Information technology expenses	29,206	26,315
Telephone and postage	1,791	1,923
Premises expenses	4,520	4,331
Travel and representation expenses	699	362
Profit from the disposal of property and equipment and intangible assets	-1	0
Other administration expenses	1,327	1,159
<b>Other operating expenses</b>	<b>69,833</b>	<b>66,775</b>

All expenses not allocated elsewhere are recognised under other operating expenses.

## 1.12 Financial performance

In CHF 1,000	2023	2022
Financial income	3,552	7,696
Financial expenses	-1,889	-8,322
<b>Financial performance</b>	<b>1,663</b>	<b>-627</b>

The financial income consists of the unrealised price gains from the valuation of Visa shares, which is carried out monthly.

The financial expenses consist of the price losses from the valuation of Visa shares, which is carried out monthly. In addition, the previous year includes a realised book loss from the sale of a proportion of the Visa shares.

### 1.13 Income taxes

In CHF 1,000	<b>2023</b>	<b>2022</b>
Current income taxes	28,754	11,826
Deferred income taxes	435	6,506
<b>Total income taxes</b>	<b>29,188</b>	<b>18,332</b>

### Analysis of income taxes

In CHF 1,000	<b>2023</b>	<b>2022</b>
Profit before taxes	148,772	136,745
Expected tax rate	19.64%	19.63%
<b>Expected income taxes</b>	<b>29,212</b>	<b>26,839</b>
Tax-exempt income (incl. income from stakes)	0	-9,142
Non-deductible amortisation / impairment of goodwill	0	786
Change in tax rates	-20	-17
Income taxes relating to other periods	0	-147
Other effects	-4	13
<b>Total income taxes</b>	<b>29,188</b>	<b>18,332</b>
Effective income tax rate	19.62%	13.41%

Income taxes comprise all profit-related current and deferred income taxes.

Current income taxes are calculated on the taxable gain or loss. The tax regulations and tax rates in force on the balance sheet date are used for calculation purposes.

Deferred income taxes are calculated on the basis of a balance-sheet-oriented view of temporary differences between the figures determined in accordance with Swiss GAAP FER and the figures in the tax balance sheets. No deferred taxes are recognised when goodwill is initially recognised. Furthermore, no deferred taxes are recognised for temporary differences relating to stakes if the timing of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are

only recognised to the extent that it is probable that future taxable profits will allow the claim to be realised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable for the respective tax benefit to be realised. Where permitted, deferred tax assets and liabilities are offset within the legal entities.

The actual expected tax rate was used to calculate deferred income taxes. This results in an average Group tax rate of 19.64% (previous year: 19.63%).

As at 31 December 2023, no deferred tax assets (2022: CHF 0 million) were recognised on loss carryforwards.

### 1.14 Earnings per share

In CHF 1,000 or as noted	<b>2023</b>	<b>2022</b>
Profit attributable to the shareholders of the company	119,584	118,414
Weighted average number of shares outstanding	25,000	25,000
<b>Earnings per share in CHF</b>	<b>4,783.35</b>	<b>4,736.55</b>

As there are no convertible bonds, subscription rights or other potential shares outstanding, the shares are not diluted.

## Notes to the balance sheet

The following section describes the current and non-current asset and liability items relevant to Viseca's business activities. The notes on assets focus on receivables from card business, property and equipment, and intangible assets. This section also contains a presentation of the development of provisions and off-balance-sheet transactions as well as explanations on selected items of operational relevance.

### 2.1 Receivables from card business

In CHF 1,000	2023	2022
Receivables from cardholders	1,138,609	975,942
Receivables from debt collection	12,710	13,304
<b>Total receivables</b>	<b>1,151,319</b>	<b>989,246</b>
Allowances for doubtful receivables	-11,395	-12,000
<b>Net receivables</b>	<b>1,139,923</b>	<b>977,246</b>
Receivables from fraud and chargebacks	594	1,079
Impairments	-378	-363
<b>Net receivables from fraud and chargebacks</b>	<b>216</b>	<b>717</b>
<b>Total receivables from card business</b>	<b>1,140,139</b>	<b>977,963</b>

Receivables from cardholders are generally recognised at nominal value. For customers with an instalment facility or customers in arrears, the accrued interest is included in the receivable. Receivables from cardholders consist of outstanding balances on the card accounts. Outstanding receivables from cardholders are generally transferred to a special and monitored collection portfolio if the payments are between 90 and 120 days overdue. These receivables are recognised under "Receivables from debt collection".

Impairment losses are recognised in the allowance accounts for receivables, unless Viseca is of the view that the amount owed is no longer recoverable. In this case the amount deemed uncollectible is written off directly against the receivable. The impairment is adjusted at management's discretion on the basis of whether the actual losses are higher or lower than those expected by historical trends given the current economic and credit conditions (application of the expected credit loss model – ECL).

If a cardholder is suspected of making a fraudulent transaction or claims a chargeback, the balance is transferred to a dedicated portfolio until the case is settled. Suitable allowances are set aside for all receivables in the portfolio, although these are not subject to the expected credit loss model.

### In the scope of the expected credit loss calculation

In CHF 1,000	2023	2022
Receivables in the scope of the expected credit loss calculation	468,887	446,543
Receivables not in the scope of the expected credit loss calculation*	682,431	542,703
<b>Total receivables</b>	<b>1,151,319</b>	<b>989,246</b>

\* Default risk not with Viseca

Viseca issues credit cards on behalf of various customer banks. It has concluded agreements with some of its customer banks in card business under which the customer banks bear the risk of loss for outstanding receivables. If a cardholder is in default of payment, the outstanding amount is paid in full by the customer bank (receivables not in the scope of the expected credit loss calculation). For some banks and for cardholders who have a direct relationship with Viseca, Viseca bears the default risk (receivables in the scope of the expected credit loss calculation).

### Expected credit loss (ECL) model

Allowances for doubtful receivables are calculated based on the expected credit loss model. The ECL model calculates the expected loss on the performing portfolio and on the non-performing portfolio on a monthly basis. The non-performing portfolio includes all receivables that are currently the object of debt collection activities. Receivables in the non-performing portfolio are written off after 24 months at the latest. The relevant parameters for determining the ECL in the performing portfolio are the number of customer relationships, the estimated probability of default, the estimated debt collection transfer amount and the loss ratio in debt collection. While current values are used for the number of customer relationships, historical simulations are calculated for the other values. The relevant parameters for determining the ECL in the non-performing portfolio are the debt collection transfers accrued over 24 months, the loss ratio in debt collection (as in the performing portfolio) and the losses realised in debt collection.

## 2.2 Prepaid expenses

In CHF 1,000	2023	2022
Prepaid expenses to partners	1,275	2,980
Other	11,532	10,664
<b>Total prepaid expenses</b>	<b>12,808</b>	<b>13,644</b>

Prepaid expenses serve the purpose of the accrual principle, i.e. to book expenses and income incurred over a specific period at the time they arise. This also means that all expenses used to generate specific income are recognised according to when the income is generated.

In card business, Viseca pays commissions to its distribution partners (mainly the shareholder banks). The commission contains a reimbursement for annual charges for credit cards. The portion paid to the partner but not yet utilised is recognised as "Prepaid expenses to partners".

The "Other" item includes prepaid vendor invoices for licences and software maintenance contracts (CHF 9.4 million) and the net deferred issue costs (CHF 0.3 million) for the issue of the bond. Prepaid expenses (CHF 1.8 million) for unbilled service income are also included.

## 2.3 Property and equipment

in CHF 1,000	Furniture	IT and office equipment	Vehicles	Leasehold improvement	Total
<b>Acquisition costs</b>					
Balance as at 1 January 2023	2,261	10,828	18	7,404	20,511
Acquisitions	0	2,226	0	305	2,531
Rebookings	13	0	0	-13	0
Disposals and other changes	0	-765	0	0	-765
<b>Balance as at 31 December 2023</b>	<b>2,274</b>	<b>12,289</b>	<b>18</b>	<b>7,697</b>	<b>22,278</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance as at 1 January 2023	-1,754	-8,853	-11	-6,063	-16,681
Depreciation charge for the period	-281	-848	-5	-255	-1,389
Rebookings	0	0	0	0	0
Disposals and other changes	0	765	0	0	765
<b>Balance as at 31 December 2023</b>	<b>-2,036</b>	<b>-8,936</b>	<b>-16</b>	<b>-6,318</b>	<b>-17,305</b>
<b>Carrying amount</b>					
As at 1 January 2023	507	1,975	7	1,341	3,830
As at 31 December 2023	238	3,353	3	1,379	4,973

in CHF 1,000	Furniture	IT and office equipment	Vehicles	Leasehold improvement	Total
<b>Acquisition costs</b>					
Balance as at 1 January 2022	2,345	9,497	18	7,215	19,075
Change in scope of consolidation	-45	-3	0	-42	-90
Acquisitions	22	2,146	0	231	2,399
Rebookings	-60	60	0	0	0
Disposals and other changes	0	-872	0	0	-872
<b>Balance as at 31 December 2022</b>	<b>2,261</b>	<b>10,828</b>	<b>18</b>	<b>7,404</b>	<b>20,511</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance as at 1 January 2022	-1,552	-9,283	-7	-5,818	-16,659
Change in scope of consolidation	18	3	0	7	27
Depreciation charge for the period	-281	-385	-5	-252	-922
Rebookings	60	-60	0	0	0
Disposals and other changes	0	872	0	0	872
<b>Balance as at 31 December 2022</b>	<b>-1,754</b>	<b>-8,853</b>	<b>-11</b>	<b>-6,063</b>	<b>-16,681</b>
<b>Carrying amount</b>					
As at 1 January 2022	793	214	12	1,397	2,416
As at 31 December 2022	507	1,975	7	1,341	3,830

Property and equipment are carried at acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life.

Assets are tested for impairment on each balance sheet date. If there are indications that the value of property and equipment may be impaired, the recoverable amount is determined. If the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recognised in the income statement.

Useful lives and residual values are reviewed annually on the balance sheet date and any impairment losses recognised in the income statement. The estimated useful lives are as follows:

Category	Estimated useful life
<b>Furniture</b>	5 to 10 years
<b>IT and office equipment</b>	2 to 5 years
<b>Vehicles</b>	4 to 5 years
<b>Leasehold improvement</b>	10 years or until the end of the rental period, if this is shorter



## 2.4 Goodwill and intangible assets

in CHF 1,000	Goodwill	Software	Licences	Customer relationships	Total intangible assets excl. goodwill
<b>Acquisition costs</b>					
Balance as at 1 January 2023	63,668	4,534	8,417	119,016	131,967
Acquisitions	0	327	0	0	327
<b>Balance as at 31 December 2023</b>	<b>63,668</b>	<b>4,861</b>	<b>8,417</b>	<b>119,016</b>	<b>132,294</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance as at 1 January 2023	-63,668	-4,311	-8,404	-119,016	-131,731
Depreciation charge for the period	0	-170	-7	0	-178
<b>Balance as at 31 December 2023</b>	<b>-63,668</b>	<b>-4,481</b>	<b>-8,411</b>	<b>-119,016</b>	<b>-131,909</b>
<b>Carrying amount</b>					
As at 1 January 2023	0	223	13	0	236
As at 31 December 2023	0	379	6	0	385

in CHF 1,000	Goodwill	Software	Licences	Customer relationships	Total intangible assets excl. goodwill
<b>Acquisition costs</b>					
Balance as at 1 January 2022	84,788	4,774	8,417	126,296	139,487
Change in scope of consolidation	-21,120	0	0	-980	-980
Disposals and other changes*	0	-239	0	-6,300	-6,539
<b>Balance as at 31 December 2022</b>	<b>63,668</b>	<b>4,534</b>	<b>8,417</b>	<b>119,016</b>	<b>131,967</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance as at 1 January 2022	-84,788	-4,320	-8,397	-126,296	-139,013
Change in scope of consolidation	21,120	0	0	980	980
Depreciation charge for the period	0	-230	-7	0	-237
Disposals and other changes*	0	239	0	6,300	6,539
<b>Balance as at 31 December 2022</b>	<b>-63,668</b>	<b>-4,311</b>	<b>-8,404</b>	<b>-119,016</b>	<b>-131,731</b>
<b>Carrying amount</b>					
As at 1 January 2022	0	453	20	0	474
As at 31 December 2022	0	223	13	0	236

\* The reduction in customer relationships was due to the early cancellation of the co-branding agreement with Jumbo.

Intangible assets are recognised at acquisition or production cost less accumulated depreciation and impairment losses. Internally generated intangible assets are not capitalised. Intangible assets acquired as part of an acquisition that were already recognised by the acquired company are classified and reported as acquired intangible assets. The customer relationships acquired in an acquisition are measured at current values and recognised as intangible assets from sales price allocation.

Net assets acquired in an acquisition are measured at current values. The excess of the cost of acquisition over the revalued net assets is recognised as goodwill. Goodwill is amortised over a period of five years.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. Customer relationships are amortised using the arithmetic declining balance method.

Assets are tested for impairment on each balance sheet date. If there are indications that goodwill or intangible assets may be impaired in value, the recoverable amount is calculated. If the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recognised in the income statement. If the asset does not generate independent cash inflows on its own, the recoverable amount is determined for the smallest possible group of assets (cash-generating unit; CGU) to which the asset belongs. If impairments have to be recognised, they are first charged to the goodwill associated with the CGU. The remainder of the impairment loss is allocated pro rata to other assets based on their carrying amounts. Additions as a result of the reversal of impairment losses on intangible assets other than goodwill are recognised in the income statement. A reversal of an impairment loss on goodwill is not added back.

Useful lives and residual values are reviewed annually on the balance sheet date and any impairment losses recognised in the income statement. The ordinary amortisation rates are as follows:

Category	Estimated useful life
Software	as a rule 3 years
Customer relationships	7 to 15 years
Licences	5 to 7 years

## 2.5 Financial assets

In CHF 1,000	31.12.2023	31.12.2022
Securities	13,415	11,752
<b>Total financial assets</b>	<b>13,415</b>	<b>11,752</b>

Viseca holds preference shares in Visa Inc. which are recognised under financial assets. These shares are measured at fair value. Changes in fair value are recognised in financial performance. In the previous year, a portion of the Visa shares were sold at a value of USD 10.8 million (CHF 10.4 million).

## 2.6 Payables to counterparties

In CHF 1,000	31.12.2023	31.12.2022
Advance payments and credit balances received	78,185	76,756
Payables to card organisations	215,220	115,337
<b>Total payables to counterparties</b>	<b>293,405</b>	<b>192,092</b>

Viseca receives advance payments and top-ups from prepaid card customers. Credit from credit cardholders is also included.

Payables to card organisations comprise payables to the Visa and Mastercard card organisations. These are related to the reporting date and therefore depend on the respective payment runs on a daily basis.

## 2.7 Provisions

in CHF 1,000	Taxes	Onerous contracts	Restoration obligations	Legal proceedings	Restructuring	Other	Total provisions
<b>Balance as at 1 January 2023</b>	<b>13,010</b>	<b>5,725</b>	<b>1,270</b>	<b>1,125</b>	<b>0</b>	<b>15,000</b>	<b>36,130</b>
Change in scope of consolidation	0	0	0	0	0	0	0
Additions	29,967	0	0	0	0	0	29,967
Utilisations	-30,475	-5,328	0	-392	0	0	-36,195
Releases	0	-271	0	-166	0	0	-437
Reclassifications	0	0	0	0	0	0	0
<b>Balance as at 31 December 2023</b>	<b>12,503</b>	<b>126</b>	<b>1,270</b>	<b>566</b>	<b>0</b>	<b>15,000</b>	<b>29,466</b>
– thereof short-term	12,503	126	0	566	0	0	13,196
– thereof long-term	0	0	1,270	0	0	15,000	16,270

in CHF 1,000	Taxes	Onerous contracts	Restoration obligations	Legal proceedings	Restructuring	Other	Total provisions
<b>Balance as at 1 January 2022</b>	<b>21,203</b>	<b>2,905</b>	<b>1,270</b>	<b>2,603</b>	<b>1,816</b>	<b>1,724</b>	<b>31,521</b>
Change in scope of consolidation	7	0	0	0	0	-556	-548
Additions	12,973	0	0	220	0	15,559	28,752
Utilisations	-17,426	-58	0	-152	-1,469	-694	-19,798
Releases	4	-874	0	-1,546	-348	-1,034	-3,797
Reclassifications	-3,751	3,751	0	0	0	0	0
<b>Balance as at 31 December 2022</b>	<b>13,010</b>	<b>5,725</b>	<b>1,270</b>	<b>1,125</b>	<b>0</b>	<b>15,000</b>	<b>36,130</b>
– thereof short-term	13,010	5,599	0	1,125	0	0	19,734
– thereof long-term	0	126	1,270	0	0	15,000	16,396

A provision is recognised in the balance sheet if a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. If the effect is material,

provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The provisions schedule is divided into the following categories:

#### **Taxes**

Viseca Payment Services SA and Viseca Card Services SA are definitively assessed for income and capital taxes in the Canton of Zurich up to and including 2019. Viseca assumes that the subsequent years will be audited by the Zurich tax authorities in the course of the current year. The entire transition period from the original to the current business model will then be reviewed and assessed.

#### **Onerous contracts**

Provisions for loss-making contracts exist, as Viseca has undertaken to provide transitional services as part of the sale of Aduno SA and cashgate AG and the expected income for this will be exceeded. The majority of these liabilities were utilised and reversed in the reporting year.

#### **Provisions for leasehold restoration obligations**

In accordance with the lease and applicable constructive requirements of legal obligations, provisions for leasehold restoration obligations to restore premises to their original condition and for the associated expenses are recognised when Viseca enters into a rental agreement. A related payment is recognised when the obligation event to restore the premises to the specified condition occurs. The provisions have reached the necessary level.

#### **Legal proceedings**

Viseca establishes provisions for pending legal cases where management believes that it is likely to be required to make payments and where the payment amounts can be reliably estimated. The legal cases for which provisions have been set aside are for a Swiss Competition Commission (COM-CO) investigation into boycotts of mobile payment solutions from international providers and legal costs in connection with a possible patent claim.

In the reporting year, provisions in connection with the sale of cashgate AG and for a fraud case were resolved.

In 2022, an agreement was reached for accrued amounts relating to a provisional assessment notice from the Swiss Federal Tax Administration (FTA) contested by Viseca as part of the VAT revision of Accarda for the years 2014–2019, which resulted in the reversal of the majority of the provision recognised for this. The remainder of the amount was reversed in 2023.

#### **Restructuring**

The closure of the branch in Wangen-Brüttisellen (Accarda business unit) resulted in additional expenses, which were recognised as a provision in 2021. These were resolved in 2022.

#### **Other provisions**

These include a provision for the change of pension scheme solution. In 2022, the provisions in connection with the sale of Contovista AG were deconsolidated and the provisions for the Accarda business unit's debt collection business were reversed as these customer portfolios were sold.

## 2.8 Accrued expenses and deferred income

In CHF 1,000	31.12.2023	31.12.2022
Deferred annual fees	20,337	22,373
Commission payable to partners	32,073	25,353
Accrued expenses from customer loyalty measures	22,538	19,829
Accrued interest expenses	1,004	0
Other	16,274	15,918
<b>Total accrued expenses and deferred income</b>	<b>92,225</b>	<b>83,473</b>

Accrued expenses and deferred income serve the purpose of the accrual principle, i.e. to book expenses and income incurred over a specific period at the time they arise. This also means that all expenses used to generate specific income are recognised according to when the income is generated.

In the “Deferred annual fees”, the fees charged to customers once a year are deferred pro rata temporis.

“Commission payable to partners” includes accrued compensation paid to distribution partners in January of the following year.

The accrued expenses from customer loyalty measures include the liability from the surprise programme, in which points are collected through use of the credit or prepaid card, which can then be redeemed for vouchers or discounts at a later date.

“Accrued interest expenses” include the accrued interest from the bond issued in October 2023.

Outstanding vendor invoices (CHF 15.3 million) and accruals for remuneration to banks (CHF 1.0 million) are recognised under “Other”.

## Financing and risk management

The following describes the guidelines and procedures that are applied in managing the capital structure and financial risks. Viseca strives to maintain an appropriate equity base in order to retain the confidence of investors, creditors and the market.

### 3.1 Financial liabilities

#### Bonds

Type of bond	Bond with top-up option
Nominal amount	CHF 250 million
Issue price	100.136%
Security number	129,022,246 / ISIN CH1290222467
Interest rate	2.25%
Term	27 October 2023 until 27 October 2026
<b>Repayment</b>	<b>27 October 2026 at par value</b>

The issuing costs of CHF 0.67 million incurred in connection with the issue of the bond were capitalised under prepaid expenses. The corresponding item is amortised over the term of the bond. The issue price of 100.136% resulted in premium income of CHF 0.34 million. The effective interest rate of the bond thus fell from 2.250% to 2.247% per year.

Interest-bearing financial liabilities are generally recognised at nominal value.

#### Other bank liabilities

To refinance the existing bilateral loan agreement, new loan agreements with a facility of CHF 900 million were concluded with various financial institutions in the fourth quarter of 2021. The interest rates for these credit facilities are set at the market interest rate plus a fixed interest margin. These credit agreements are used for the short-term financing of credit card balances, which are repaid within a cash cycle. This means that the utilisation of the loans is often no longer visible in the balance sheet at the end of the month, as the loans have been repaid by the reporting date.

In view of the launch of the Cumulus portfolio, a loan agreement with a facility of CHF 700 million was concluded with another financial institution in the second quarter of 2022 to finance this portfolio. The interest rates were set at the market interest rate plus a fixed interest margin. This loan liability is recognised in the balance sheet under current financial liabilities.

In the fourth quarter of 2023, the facility under this credit agreement was reduced to CHF 200 million. The reduction in the facility is in connection with the issue of the bond in October 2023.

### 3.2 Share capital and reserves

#### Share capital

As at 31 December 2023, the share capital of the parent company Viseca Payment SA consisted of 25,000 registered shares with a nominal value of CHF 1,000 each. Shareholders are entitled to receive the declared dividends and to exercise one vote per share at the company's Annual General Meeting.

#### Reserves

The non-distributable legal reserves amounted to CHF 5.0 million as at 31 December 2023 (31 December 2022: CHF 5.0 million).

## Dividends

	31.12.2023	31.12.2022
Number of registered shares entitled to dividends (in units)	25,000	25,000
Ordinary dividend per registered share (in CHF)	1,600	800
<b>Dividends paid in CHF thousand</b>	<b>40,000</b>	<b>20,000</b>

After 31 December 2023, the Board of Directors has proposed dividends of CHF 1,600.00 per registered share, totalling CHF 40.0 million for 2023. The dividend proposal will be submitted to the Annual General Meeting to be held in June 2024 for approval.

## Capital management

The Board of Directors' policy is to maintain an appropriate equity base in order to ensure the confidence of investors, creditors and the market. The Board of Directors monitors the return on capital, which Viseca defines on the basis of total equity and the development of dividends paid out.

## 3.3 Risk management

The Board of Directors bears overall responsibility for risk management. The Executive Board is responsible for implementing the relevant requirements and for establishing, maintaining and regularly reviewing the internal control system (ICS). The following risks have been identified as material risks for Viseca:

### Strategic risks

Strategic risks include environmental and business risks, which are systematically identified and either accepted or mitigated by means of suitable measures within the scope of the risk appetite defined by the Board of Directors.

### Operational risks

Operational risks include risks due to human behaviour within or outside the company, and risks from defective processes, inadequate governance and natural hazards. Like strategic risks, operational risks are systematically identified and managed in such a way that they remain within the limits defined by the Board of Directors.

## Sustainability risks

Sustainability risks include physical risks, transition risks in connection with climate change and risks arising from Viseca's unsustainable business practices with a negative impact on people, the economy or the environment. In its sustainability strategy, the Board of Directors has defined objectives to minimise risks for material topics.

### Financial risks: credit risk

Viseca is exposed to the risk of counterparty default as a result of its operating activities. This risk exists mainly in relation to receivables from customers of Viseca and depends primarily on the individual characteristics of each customer.

### Financial risks: liquidity risk

Liquidity risk is the risk of Viseca not being able to fulfil its financial obligations when they fall due. A liquidity risk arises if Viseca is unable to procure the funds required to conduct its business under economically viable conditions.

### Financial risks: market risk

Market risk is the risk of losses arising from changes in market prices in on-balance-sheet and off-balance-sheet items. The definition includes foreign currency risks.

Viseca uses derivative financial instruments to hedge against foreign currency risks arising from operating and financing transactions.

In CHF 1,000	Asset	31.12.2023 Liability	Asset	31.12.2022 Liability
Foreign currency derivatives	592	-1,206	66	-219

The positive and negative values of derivatives are recognised in other receivables and other payables.



## Group structure

Viseca's Group structure, including the main changes and the resulting impact on the consolidated financial statements, is explained below.

### 4.1 Change in the scope of consolidation

#### Changes in 2023

There were no changes to the scope of consolidation in 2023.

#### Changes in 2022

The contract was signed and the sale of the 100% stake in Contovista AG was completed on 12 May 2022. The profit from the deconsolidation amounts to CHF 4.3 million, and a positive net cash effect of CHF 1.9 million was realised. The balance sheet of Contovista AG at the time of deconsolidation is shown below.

In CHF 1,000	Contovista AG
Current assets	5,914
Non-current assets	927
<b>Total assets</b>	<b>6,842</b>
Liabilities	4,105
Equity	2,736
<b>Total liabilities</b>	<b>6,842</b>

### 4.2 Group companies

in CHF 1,000	Country of incorporation	Currency	Share capital 31.12.2023	Share capital 31.12.2022	Ownership interest 31.12.2023	Ownership interest 31.12.2022
Viseca Payment Services SA, Zurich (ZH), parent company	Switzerland	CHF	25,000	25,000	-	-
Contovista AG, Schlieren (ZH)*	Switzerland	CHF	n/a	n/a	n/a	n/a
Viseca Card Services SA, Zurich (ZH)	Switzerland	CHF	22,000	22,000	100%	100%

\* sold on 12.05.2022.

## Other information

This section presents information that has not been disclosed in previous sections of the report. This includes notes on employee benefits and off-balance-sheet transactions, and information on related parties.

### 5.1 Employee benefits

Viseca is affiliated with the Servisa (formerly Swisscanto) Collective Foundation. The collective foundation is a separate legal entity. The Foundation is responsible for managing the pension plan; the Board of Trustees is made up of an equal number of employer and employee representatives from all affiliated companies.

The Servisa Collective Foundation is not the sole risk carrier, as Servisa is not a foundation with a full insurance guarantee. However, the payment of special contributions to finance a deficit is only applied if other measures do not promise success.

#### Economic benefit / economic obligation and pension expense

The funding ratio of the collective foundation was 103.0% as at 31 December 2023 (2022: 97.6%). The following table shows the economic benefit and the economic obligation as well as the corresponding changes in the pension expense.

	Surplus / deficit	Economic share Viseca		Change in relation to previous year (expense in 2023)	Contributions accrued for the period	Pension expense in personnel expenses	
	31.12.2023	31.12.2023	31.12.2022			2023	2022
in CHF 1,000							
Pension plans with no surplus/deficit	–	–	–	–	5,049	5,049	7,302
<b>Total</b>					<b>5,049</b>	<b>5,049</b>	<b>7,302</b>

## Summary of pension expense

In CHF 1,000	2023	2022
Contributions to pension plans at Viseca's expense	5,049	7,302
<b>Total contributions</b>	<b>5,049</b>	<b>7,302</b>

The economic impact of the employee benefit plans on Viseca is assessed annually. Surpluses and deficits are calculated on the basis of the annual financial statements of the corresponding pension plans, which are based on Swiss GAAP FER 26. An economic benefit is capitalised if it is permissible and where the intention is to use the surplus of the pension plan assets to reduce Viseca's future pension expense. In the event of a deficit, an economic obligation must be recognised if the conditions for the recognition of a provision are met. Changes in the value of recognised economic benefits or obligations from employee pension plans are recognised in the income statement under personnel expenses.

The write-off of additional income of CHF 1.4 million in 2022 increased the pension expense from CHF 5.9 million to CHF 7.3 million. The re-recognition of part of the additional income of CHF 1.2 million reduced the pension expense in 2023; the effective expense would have been CHF 6.3 million.

## 5.2 Off-balance-sheet transactions

### Guarantees and sureties

At the end of the reporting year, guarantees to cover obligations totalled:

In CHF 1,000	2023	2022
<b>Bank guarantees</b>	<b>72,175</b>	<b>76,175</b>

### Leasing and other obligations

The maturities of the obligations not reported in the balance sheet that cannot be terminated within 12 months are as follows (undiscounted):

In CHF 1,000	2023	2022
1 to 5 years	26,533	34,725
<b>Leasing and other obligations</b>	<b>26,533</b>	<b>34,725</b>

This mainly relates to the rental of IT hardware and IT software as well as long-term rental agreements for office space and car parks.

Contingent liabilities and other obligations not to be reported in the balance sheet are measured and disclosed on each balance sheet date. The valuation is based on the amount of future, unilateral and irrevocable payments and costs less any promised consideration.

## 5.3 Related parties and persons

Related parties are defined as parties that can exercise significant influence, directly or indirectly, over Viseca's financial or operating decisions. This group includes shareholders with significant influence, members of the Board of Directors of Viseca and members of the Executive Board. Organisations that are directly or indirectly controlled by the same related parties are also considered to be related.

The following shareholders are considered related parties:

Part of share capital in % held as at 31 December	2023	2022
Raiffeisen Suisse Cooperative	25.5%	25.5%
Zürcher Kantonalbank	14.7%	14.7%
Entris Banking AG	14.0%	14.0%
Migros Bank AG	7.0%	7.0%
Banque Cantonale Vaudoise BGV	4.8%	4.8%
EFG Bank AG	3.6%	n/a
Valiant Bank AG	n/a*	n/a*
<b>Total related parties</b>	<b>69.6%</b>	<b>66.0%</b>

\* Appoint a member of the Board of Directors, but do not hold any shares in Viseca.

All transactions between Viseca and its related parties are conducted at market rates.

### Transactions with related parties

Viseca conducts extensive business with its shareholders and other related parties, in particular in relation to financing and the issuing of credit cards in card business.

Income and expenses with related parties as stated in the following table are included in Viseca's consolidated income statement.

In CHF 1,000	2023	2022
Interest income	-631	0
Financing costs	9,411	4,036
Other income*	-138,584	-77,988
Distribution, advertising and promotion expenses	10,745	9,991
<b>Total income (-) and expenses (+) with related parties</b>	<b>-119,059</b>	<b>-63,962</b>

\* incl. service income

As at the reporting date, the following items with related parties are included in the balance sheet with the following volume:

In CHF 1,000	2023	2022
Cash and cash equivalents	317,207	167,477
Other receivables	19,779	16,639
Prepaid expenses	268	918
Financial liabilities	32,895	152,285
Other payables	11,768	9,825
Accrued expenses and deferred income	6,749	7,808
<b>Total exposure to related parties</b>	<b>388,667</b>	<b>354,951</b>

Viseca's balance sheet does not contain impairment for irrecoverable receivables from related parties. No expenses are recognised in the consolidated income statement for any impairment with respect to related parties.

### Transactions with key management personnel

Viseca issues credit cards to key management personnel. It is in the nature of the credit card business for customers to have temporary liabilities with Viseca. In the normal course of business, employees and key management personnel may also request these services. They are granted normal terms and conditions that are also applied to other third parties.

## Events after the balance sheet date

At the time this report was published, the company was not aware of any significant new events that would affect the annual financial statements as at 31 December 2023.

Zurich, 22 March 2024

**Pascal Niquille**

Chairman of the Board of Directors

**Max Schönholzer**

Chief Executive Officer

**Michael Walther**

Chief Financial Officer

# Auditor's report



## Statutory Auditor's Report

To the General Meeting of Viseca Payment Services SA, Zurich

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Viseca Payment Services SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 19 to 45) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters



#### REVENUE RECOGNITION



#### ALLOWANCES FOR DOUBTFUL RECEIVABLES FROM CARD BUSINESS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



#### REVENUE RECOGNITION

##### Key Audit Matter

The Group provides financial services in the context of cashless payment. This includes issuing payment cards under the Mastercard and Visa brands, offering customer cards with a payment function as well as managing and processing credit, payment, debit and prepaid cards and other means of payment.

Revenues include commission income, annual fees, service income and interest income as well as other operating income. Commission income consists of transaction-based fees. Service income includes processing fees and other service income.

In our view, the recognition of revenue components in the correct accounting period can have a material impact on the Group's profit for the year.

##### Our response

Amongst other procedures, we tested the design and operational effectiveness of key controls regarding revenue recognition to assess whether revenues have been accurately recorded.

Our procedures also included the following:

- Reconciliation of revenues with corresponding third parties;
- Reconciliation of revenues from the payment business with statements from Mastercard and Visa on a sample basis;
- Testing of reconciliations of sub-ledgers with the general ledger and assessing any deviations for materiality; and
- Validation of relevant system interfaces.

For further information on revenue recognition refer to the following:

- Basics of preparing financial statements (page 23)
- Notes 1.1 to 1.5 (pages 25 to 26)



#### ALLOWANCES FOR DOUBTFUL RECEIVABLES FROM CARD BUSINESS

##### Key Audit Matter

As of 31 December 2023, the Group reported receivables from card business in the amount of CHF 1,151.3 million (31 December 2022: CHF 989.2 million), impairments amounted to CHF 11.4 million (31 December 2022: CHF 12.0 million).

Allowances for doubtful receivables are calculated based on the expected credit loss model on a monthly basis.

Key parameters for determining expected credit losses include the number of customer relationships, the due date of receivables, the estimated probability of default, the estimated debt collection transfer amount and the loss ratio in debt collection.

##### Our response

Our audit procedures included the testing of design and operational effectiveness of key controls regarding the assessment of the recoverability of receivables from card business. This included, amongst others, the examination of controls for calculation, approval, recording and monitoring of impairments.

With the involvement of our own credit risk specialists, we verified the adequacy of the model methodology, its underlying assumptions and key parameters, the model implementation, and its compliance with Swiss GAAP FER through substantive audit procedures. We have also assessed the adequacy of allowances recorded.

For further information on allowances for doubtful receivables from card business refer to the following:

- Note 2.1 (pages 29 to 30)

## Auditor's report



### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Thomas Dorst  
Licensed Audit Expert  
Auditor in Charge

Christoph Cramer  
Licensed Audit Expert

Zurich, 22 March 2024



# Annual Financial Statement Viseca Payment Services SA 2023



# Income statement

## Financial year

in 1,000 CHF	Note	2023	2022
Net sales from goods and services	1	361,766	305,440
Other income		20,680	19,668
<b>Operating income</b>		<b>382,445</b>	<b>325,108</b>
Interest expenses		-15,297	-5,783
Processing and service expenses	2	-50,332	-53,540
Distribution, advertising and promotion expenses		-12,707	-10,403
Personnel expenses		-100,753	-89,948
Other operating expenses	3	-73,060	-74,539
Depreciation and impairment of non-current assets	4	-4,692	-11,257
<b>Operating expenses</b>		<b>-256,841</b>	<b>-245,471</b>
<b>Result from operating activities</b>		<b>125,605</b>	<b>79,637</b>

in 1,000 CHF	Note	2023	2022
Financial income	5	0	6,737
<b>Ordinary result</b>		<b>125,605</b>	<b>86,373</b>
Non-operating expenses	6	0	-38,190
Extraordinary and prior-period income	7	1,465	2,684
Extraordinary and prior-period expenses	7	0	-17,090
<b>Profit for the year before taxes</b>		<b>127,069</b>	<b>33,778</b>
Direct taxes		-25,818	-7,249
<b>Profit for the year after taxes</b>		<b>101,251</b>	<b>26,530</b>

# Balance sheet

## Financial year

in 1,000 CHF	Note	31.12.2023	31.12.2022
<b>Assets</b>			
Cash and cash equivalents		325,899	171,566
Receivables from card business		1,115,074	950,350
Other receivables		26,256	22,654
Inventories	8	4,197	3,823
Prepaid expenses		13,883	11,645
<b>Total current assets</b>		<b>1,485,309</b>	<b>1,160,038</b>
Financial assets	9	4,234	4,234
Stakes	10	72,000	72,000
Property and equipment	11	4,973	3,830
Intangible assets	11	385	3,362
<b>Total non-current assets</b>		<b>81,593</b>	<b>83,426</b>
<b>Total assets</b>		<b>1,566,901</b>	<b>1,243,464</b>

in CHF 1,000	Note	31.12.2023	31.12.2022
<b>Liabilities</b>			
Payables for goods and services	12	318,532	211,115
Interest-bearing financial liabilities	13	33,662	152,301
Interest-bearing payables to affiliated companies	14	169,252	143,638
Other payables		12,904	10,058
Accrued expenses and deferred income		38,784	35,479
Provisions		11,011	19,243
<b>Total current liabilities</b>		<b>584,146</b>	<b>571,833</b>
Non-current interest-bearing financial liabilities	15	250,000	0
Provisions		16,270	16,396
<b>Total non-current liabilities</b>		<b>266,270</b>	<b>16,396</b>
<b>Total liabilities</b>		<b>850,416</b>	<b>588,230</b>
Share capital		25,000	25,000
Statutory capital reserves – reserves from capital contributions		94,256	94,256
Statutory capital reserves – other capital reserves		1,014	1,014
Statutory retained earnings		6,428	6,428
Voluntary retained earnings		299,717	299,717
Accumulated profit brought forward		188,820	202,290
profit		101,251	26,530
<b>Total equity</b>		<b>716,485</b>	<b>655,234</b>
<b>Total liabilities</b>		<b>1,566,901</b>	<b>1,243,464</b>

# Notes to the annual financial statements

## Accounting principles

### Basis of preparation

The statutory non-consolidated financial statements of Viseca Payment Services SA, domiciled in Zurich, were prepared in accordance with the provisions of the Swiss Code of Obligations (CO). Unless stated otherwise, all assets and liabilities are reported at their nominal value. All figures in the annual financial statements have been rounded in accordance with commercial principles.

Due to presentation in Swiss francs, rounding differences may arise.

### Reporting period

The reporting period begins on 1 January and ends on 31 December of the calendar year.

### Recognition of business transactions

Business transactions are recognised according to the settlement date principle.

### Foreign currency translation

The translation of foreign currency is carried out in accordance with the closing rate method. At the end of the year, receivables and liabilities in foreign currencies are valued at the year-end rate according to the Bloomberg exchange rate list as at 31 December.

### Taxes

Taxes are calculated on the basis of the result for the reporting year. Taxes calculated and owed from the current result are recognised as short-term provisions.

### Full-time positions

As at 31 December 2023, the company had 749 employees (full-time equivalents).

### Waiver of cash flow statement and additional disclosures in the notes

As Viseca prepares consolidated financial statements in accordance with a recognised accounting standard (Swiss GAAP FER), in these annual financial statements, in accordance with the statutory provisions, it has waived the disclosure in the notes of interest-bearing liabilities and audit fees as well as the preparation of a cash flow statement.

## Disclosures on income statement and balance sheet items

### 1 Net sales from goods and services

The company provides financial services in the context of cashless payment. In the background, it handles card business for customer banks that wish to act as issuers of payment cards, as well as for its subsidiary, which is itself active in the issuing business. The company also provides centralised services for its subsidiary. Revenue includes service income from customer banks and the subsidiary, which is based on the selected service package. The share of affiliated companies amounts to CHF 194.3 million (previous year CHF 219.2 million) and the remaining CHF 167.4 million (previous year CHF 86.2 million) comes from third parties.

### 2 Processing and service expenses

Card processing expenses, impairment losses and service expenses are recognised in processing and service expenses.

### 3 Other operating expenses

Other operating expenses include costs for consulting and auditing, travel and representation, rent, IT, telephone and postage, as well as other administrative expenses.

### 4 Depreciation and impairment of non-current assets

Depreciation and impairment losses are recognised on property and equipment and intangible non-current assets. Depreciation amounted to CHF 4.7 million in the reporting year (previous year: CHF 11.3 million) and impairment losses to CHF 0.0 million (previous year: CHF 0.0 million).

### 5 Financial income

A portion of the Visa shares was sold on 15 November 2022. This led to a realised capital gain of CHF 6.7 million.

### 6 Non-operating expenses

The stake in Contovista AG was sold on 12 May 2022. This led to a loss of CHF 38.2 million.

### 7 Extraordinary and prior-period income and expenses

Extraordinary and prior-period income mainly includes the additional income from the Servisa pension fund (formerly Swisscanto). Servisa decided to transfer the additional income for the employer's share in accordance with the resolution passed by the Pension Commission on 18

December 2023. In the previous year, extraordinary and prior-period expenses included the formation of a provision for a change in pension solution.

### 8 Inventories

This item shows the stock of card blanks.

### 9 Financial assets

Financial assets include shares in Visa Inc. and are recognised as at historical values (acquisition costs). If an impairment is indicated, a corresponding value adjustment is made.

### 10 Stakes

Stakes are reported at the acquisition value.

Company	Stake	Share capital in CHF 1,000	Since
Viseca Card Services SA, Zurich	100%	22,000	2020

### 11 Property and equipment and intangible assets

The assets are recognised at historical values (acquisition or production costs). Depreciation is recognised over the estimated useful life.

### 12 Payables for goods and services

These are payables to the card schemes from daily settlement on the one hand and to suppliers and surprise partners on the other. In addition, there are advance payments and top-ups from cardholders.

### 13 Interest-bearing financial liabilities

The item includes bank debts to a related bank in connection with the financing of card business.

### 14 Interest-bearing payables to affiliated companies

This item includes various intercompany payables to Viseca Card Services SA.

### 15 Non-current interest-bearing financial liabilities

An unsecured 2.25% bond for CHF 250 million with a term from 27 October 2023 to 27 October 2026 was issued.

## Other disclosures

### Guarantee obligations

As at 31 December 2023 the following guarantees exist:

- Rental obligations of Viseca Payment Services SA from the Business Center Andreasark property in Zurich in the amount of CHF 1.0 million (2022: CHF 1.0 million)
- Rental obligations of Viseca Payment Services SA from the property in Bedano in the amount of CHF 0.2 million (2022: CHF 0.2 million)
- Guarantees for prepayments by prepaid cardholders of Viseca Payment Services SA in the amount of CHF 70.0 million (2022: CHF 74.0 million)
- Instalment facility for consumer credit customers of Viseca Payment Services SA in the amount of CHF 0.5 million (2022: CHF 0.5 million)

### Obligations from contracts concluded

The company has entered into long-term rental agreements totalling CHF 5.5 million as at 31 December 2023.

### Hidden reserves

Hidden reserves totalling CHF 2.5 million were released in the reporting year.

### Events after the balance sheet date

There were no relevant events after the balance sheet date.

### Information on the performance of a risk assessment

Viseca Payment Services SA carries out a quarterly risk assessment for the company. It identifies material risks, assesses them for probability of occurrence and extent of damage, defines measures where necessary and monitors their implementation. The Audit & Risk Committee of the Board of Directors is informed about this risk situation and risk management on a half-yearly basis and the Board of Directors on an annual basis.

In order to ensure that the company's annual financial statements comply with the underlying accounting principles and proper corporate reporting, the company has introduced further operative internal control and steering systems, which are examined on a regular basis. Overall, no risks were identified in the financial year just ended that could lead to a significant correction of the assets, financial situation and results of the company or the Group as presented in the annual financial statements.

To improve the risk assessment, an internal control system (ICS) has been introduced that is reviewed and updated on an ongoing basis. It lists all of Viseca's risk-relevant processes. This is reviewed by the auditors as part of the audit of the annual financial statements.

Zurich, 22 March 2024



**Pascal Niquille**

Chairman of the Board of Directors



**Max Schönholzer**

Chief Executive Officer



**Michael Walther**

Chief Financial Officer

# Proposal for the appropriation of earnings at the Annual General Meeting

in CHF	2023	2022
<b>Proposal for the appropriation of earnings</b>		
Balance carried forward from prior year	188,820,086	202,290,377
profit	101,251,062	26,529,709
<b>Net profit</b>	<b>290,071,148</b>	<b>228,820,086</b>
Dividend payment	40,000,000	40,000,000
Balance to be carried forward	250,071,148	188,820,086
<b>Total appropriation of earnings</b>	<b>290,071,148</b>	<b>228,820,086</b>

As the statutory retained earnings with the statutory capital reserves have reached half of the share capital, no further allocation will be made.

On behalf of the Board of Directors



**Pascal Niquille**

Chairman of the Board of Directors

# Auditor's report



## Statutory Auditor's Report

To the General Meeting of Viseca Payment Services SA, Zurich

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Viseca Payment Services SA (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 49 to 54) comply with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters



#### REVENUE RECOGNITION

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



#### REVENUE RECOGNITION

#### Key Audit Matter

The Company provides financial services in the context of cashless payment. In the background, it handles card business for customer banks that wish to act as issuers of payment cards, as well as for its subsidiary, which is itself active in the issuing business. The Company also provides centralized services for its subsidiary.

#### Our response

Amongst other procedures, we tested the design and operational effectiveness of key controls regarding revenue recognition to assess whether revenues have been accurately recorded.

Our procedures also included the following:

- Reconciliation of revenues with corresponding third parties;



Revenue includes service income from customer banks and the subsidiary, which is based on the selected service package.

In our view, the recognition of revenue components in the correct accounting period can have a material impact on the Company's profit for the year.

- Reconciliation of revenues from the payment business with statements from Mastercard and Visa on a sample basis;
- Testing of reconciliations of sub-ledgers with the general ledger and assessing any deviations for materiality; and
- Validation of relevant system interfaces.

For further information on revenue recognition refer to the following:

- Recognition of business transactions (page 51)
- Note 1 (page 52)

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists.

## Auditor's report



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Thomas Dorst  
Licensed Audit Expert  
Auditor in Charge

Christoph Cramer  
Licensed Audit Expert

Zurich, 22 March 2024





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**Annual Report 2023**

This Annual Report is published in German and English. The German version is authoritative.

**Exclusion of liability**

This report contains forward-looking statements that provide no guarantee of future performance. These statements involve risks and uncertainties such as future economic conditions, legal requirements, market conditions, the activities of other competitors and other factors beyond the control of the company.

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Viseca

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