

24

Interim Report

At a glance

Financial year		1 st half of 2024	1 st half of 2023	Change in %
Revenue	in CHF million	253.2	248.5	1.9%
Ordinary result	in CHF million	74.6	69.3	7.7%
	in % of revenue	29.5	27.9	
Consolidated profit	in CHF million	59.4	55.7	6.6%
	in % of revenue	23.5	22.4	
Total assets	in CHF million	1,640.4	1,527.4	7.4%
Equity ¹	in CHF million	802.7	783.3	2.5%
	in % of total assets	48.9	51.3	
Earnings per share	in CHF	2,375	2,227	6.6%
Card portfolio	in 1,000	4,282	4,229	1.3%
Transaction revenue	in CHF billion	17.7	16.7	6.1%
Number of employees (full-time equivalents as at 30 June)	in FTE	779	767	1.6%

¹ Comparative period 31 December 2023

Management summary

A financially solid first half of the year with several product improvements

Viseca can look back on a good first half of the year. The most important key figures – revenue, earnings and card portfolio – were all above the previous year. Viseca was also able to implement several product improvements through the relaunch of card products, the expansion of its digital onboarding and the introduction of Click to Pay.

Number of Viseca cards in circulation

4.3 million



Pascal Niquille
Chairman of the Board of Directors

Max Schönholzer
Chief Executive Officer

The first half of 2024 was dominated by Viseca's products and services – above all the relaunch of the Silver and Gold credit cards. The already very extensive insurance benefits have been extended significantly once again. In future, cardholders of a Silver credit card will also benefit from purchase and transport insurance as well as delayed luggage insurance when travelling by air. Customers with a Gold credit card also benefit from Priority Pass™ access to over 1,500 airport lounges worldwide. This puts the Silver and Gold credit cards from Viseca ahead of the competition in terms of the scope of services.

Progress in the digitisation of payments

Viseca was also able to implement its multi-award-winning digital onboarding system for a second customer. Since May of this year, customers have been able to apply for the Manor World Mastercard® via an entirely digital process. If their application is successful, the card can be used immediately in online shops and via mobile payment worldwide.

The third milestone in the area of products and services is the launch of Click to Pay at the beginning of July for all credit and debit cards issued by Viseca. The new indus-

try standard from Mastercard and Visa simplifies card payments for online shopping. Viseca is one of the first card issuers to introduce Click to Pay in Switzerland. With the appointment of Stefan Brunner as Chief Product Officer, effective 1 March 2024, Viseca is also ensuring that the further development of products and services will remain a consistent focus in the future.

Modest growth and solid capitalisation

In terms of key figures, Viseca can look back on a good first half of the year. Both revenue and earnings increased compared to the previous year. At CHF 253.2 million as at 30 June 2024, revenue was up 1.9 per cent on the previous year (2023: CHF 248.5 million), and profit for the period increased by 6.6 per cent to CHF 59.4 million (2023: CHF 55.7 million). As at 30 June 2024, transaction revenue amounted to CHF 17,694 million, which corresponds to an increase of 6.1 per cent compared to the previous year (2023: CHF 16,673 million). This increase is primarily attributable to debit cards and the Cumulus credit card. Transaction revenue once again increased in all regions: Domestic growth amounted to 5.8 per cent, growth in the eurozone was 6.0 per cent and the transaction volume in the rest of the world increased by 13.4 per cent. The card portfolio grew slightly by 1.3 per cent to 4.28 million payment cards (2023: 4.23 million payment cards).

As at 30 June 2024, Viseca had 779 employees (full-time equivalents), compared to 767 employees as at 30 June 2023. Total assets amounted to CHF 1,640.4 million as at 30

June 2024, compared to CHF 1,527.4 million as at 31 December 2023. Equity as at 30 June 2024 amounted to CHF 802.7 million, which corresponds to an equity ratio of 48.9 per cent. It is therefore slightly lower than at the end of 2023 (31 December 2023: CHF 783.3 million with an equity ratio of 51.3 per cent).

New bond issue and outlook

On 6 June 2024, Viseca issued a second bond for CHF 165 million at an interest rate of 1.65 per cent. This enables the company to secure additional capital and diversify its financing instruments. At the same time, the bilateral loan agreements with various financial institutions were extended early, starting November 2024 to October 2027. Viseca is confident of achieving a good annual result for 2024.



Pascal Niquille

Chairman of the Board of Directors

Max Schönholzer

Chief Executive Officer

Consolidated income statement (unaudited)

Financial year

in CHF 1,000	1 st half of 2024	1 st half of 2023
Commission income	75,509	73,538
Annual fees	35,607	40,436
Service income	87,032	79,988
Interest income	17,092	15,239
Other operating income	37,930	39,292
Operating income	253,170	248,492
Processing and service expenses	-43,791	-42,255
Distribution, advertising and promotion expenses	-37,361	-42,831
Financing expenses	-6,919	-5,738
Risk expenses	-1,568	-3,228
Personnel expenses	-55,181	-51,516
Other operating expenses	-33,742	-34,208
Depreciation of property and tangible fixed assets	-834	-665
Amortisation of intangible assets	-113	-76
Operating expenses	-179,511	-180,516

in CHF 1,000	1 st half of 2024	1 st half of 2023
Operating result	73,660	67,976
Financial result	935	1,313
Ordinary result	74,595	69,289
Non-operating result	0	0
Consolidated profit before income taxes	74,595	69,289
Income taxes	-15,218	-13,608
Consolidated profit	59,377	55,681
Earnings per share		
Undiluted earnings per share (in CHF)	2,375.06	2,227.24
Diluted earnings per share (in CHF)	2,375.06	2,227.24

Consolidated balance sheet (unaudited)

Financial year

in CHF 1,000	30.06.2024	31.12.2023
Assets		
Cash and cash equivalents	122,028	325,106
Receivables from card business	1,442,678	1,140,139
Other receivables	37,133	26,375
Prepaid expenses and accrued income	14,535	12,808
Inventories	5,076	4,197
Total current assets	1,621,450	1,508,625
Property and tangible fixed assets	4,245	4,973
Intangible assets	370	385
Financial assets	14,350	13,415
Total non-current assets	18,965	18,773
Total assets	1,640,415	1,527,398

in CHF 1,000	30.06.2024	31.12.2023
Liabilities		
Liabilities to counterparties	254,547	293,405
Other liabilities	45,180	39,398
Financial liabilities	0	32,895
Provisions	6,342	13,196
Accrued expenses and deferred income	93,507	92,225
Total current liabilities	399,576	471,119
Financial liabilities	415,000	250,000
Provisions	16,270	16,270
Deferred tax liabilities	6,891	6,708
Total non-current liabilities	438,161	272,978
Total liabilities	837,738	744,097
Share capital	25,000	25,000
Capital reserves	94,101	94,101
Retained earnings	683,576	664,200
Total equity	802,677	783,301
Total liabilities and equity	1,640,415	1,527,398

Consolidated statement of changes in equity (unaudited)

As at 30 June 2024	Share capital	Capital reserves	Retained earnings	Total equity
in CHF 1,000				
Balance as at 1 January 2024	25,000	94,101	664,200	783,301
Consolidated profit	0	0	59,377	59,377
Dividends to shareholders	0	0	-40,000	-40,000
Balance as at 30 June 2024	25,000	94,101	683,576	802,678

As at 30 June 2023	Share capital	Capital reserves	Retained earnings	Total equity
in CHF 1,000				
Balance as at 1 January 2023	25,000	94,101	584,616	703,717
Consolidated profit	0	0	55,681	55,681
Dividends to shareholders	0	0	-40,000	-40,000
Balance as at 30 June 2023	25,000	94,101	600,297	719,399

Consolidated cash flow statement (unaudited)

Financial year

in CHF 1,000	1 st half of 2024	1 st half of 2023
Consolidated profit	59,377	55,681
+ Depreciation of non-current assets	948	741
– Decrease in non-cash provisions	–6,854	–1,586
+ Change in deferred taxes	183	571
– Profit from the disposal of non-current assets	0	–1
– Other non-cash income	–935	–1,313
Changes in net working capital		
–/+ Increase/decrease in receivables from card business	–302,539	32,248
– Increase in inventories	–879	–84
– Increase in other receivables and prepaid expenses	–12,194	–4,730
– Decrease in liabilities to counterparties	–38,859	–36,104
+ Increase in other liabilities and accrued expenses and deferred income	7,064	17,143
Cash outflow/inflow from operating activities (operative cash flow)	–294,688	62,566

in CHF 1,000	1 st half of 2024	1 st half of 2023
– Investments in property and tangible fixed assets	–63	–120
+ Proceeds from sale of property and equipment	0	1
– Investments in intangible assets	–141	–292
Cash outflow from investing activities	–205	–411
– Dividend payments to shareholders	–40,000	–40,000
+ Proceeds of current financial liabilities	0	107,678
– Repayments of current financial liabilities	–32,895	0
+ Proceeds of non-current financial liabilities	164,709	0
Cash inflow from financing activities	91,814	67,678
Net change in cash and cash equivalents	–203,078	129,834
Cash and cash equivalents at the start of the reporting period	325,106	171,565
Cash and cash equivalents at the end of the reporting period	122,028	301,399

Notes (unaudited)

Accounting principles

Basics of preparing financial statements

These consolidated interim financial statements of Viseca were prepared in accordance with Swiss GAAP FER 31 “Complementary recommendations for listed companies”. These interim financial statements do not include all the information contained in the consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2023.

The accounting, valuation and consolidation principles applied to the interim financial statements correspond to those of the consolidated financial statements in accordance with Swiss GAAP FER as at 31 December 2023. The group applied Swiss GAAP FER 30 (revised 2022) to the interim report. Its application had no effect on the consolidated financial statements. The consolidated financial statements are shown in Swiss francs. Unless otherwise indicated, all amounts are stated in thousands of Swiss francs.

The consolidated interim financial statements were approved by Viseca’s Board of Directors on 28 August 2024.

Estimations and evaluations

In this interim report, management has reviewed its estimations and evaluations regarding accounting and adjusted them where necessary. These are based on past experience and other factors such as expectations and estimations of future events.

Receivables from card business

Receivables from cardholders are generally recognised at nominal value. The receivables portfolio is impaired using an ECL model (expected credit loss model). The impairment may be adjusted at management’s discretion if it concludes that the actual losses are higher or lower than those expected from historical trends in the ECL model in light of current economic and credit conditions.

Financial liabilities

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

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 1 st half of 2024	Average 1 st half of 2023	Balance at 30.06.2024	Balance at 30.06.2023
EUR 1	0.9730	0.9974	0.9718	0.9864
USD 1	0.9026	0.9215	0.9092	0.9082
GBP 1	1.1411	1.1412	1.1478	1.1457

Further notes to the interim report

The following section presents segment reporting, receivables from card business, and the financing and capital structure.

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	
	First HY 2024	First HY 2023	First HY 2024	First HY 2023	First HY 2024	First HY 2023	First HY 2024	First HY 2023
	Operating income	160,276	159,898	191,121	184,720	-98,227	-96,126	253,170
Profit for the period	10,287	5,960	49,090	49,721	0	0	59,377	55,681

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 payment via credit, prepaid, debit and customer cards for corporate customers and provides the associated transaction and customer services in this area. Intercompany consolidation items and reclassifications are shown under elimination/reclassifications.

Receivables from card business

In CHF 1,000	30.06.2024	31.12.2023
Receivables from cardholders	1,437,999	1,138,609
Receivables from debt collection	14,828	12,710
Total receivables	1,452,827	1,151,319
Allowances for doubtful receivables	-10,424	-11,395
Net receivables	1,442,402	1,139,923
Receivables from fraud and chargebacks	626	594
Allowances for doubtful receivables	-350	-378
Net receivables from fraud and chargebacks	276	216
Total receivables from card business	1,442,678	1,140,139

Receivables from cardholders consist of outstanding balances on the card accounts. For customers with an instalment facility or customers in arrears, the accrued interest is included in the receivable. If outstanding receivables are between 90 and 120 days overdue, they are transferred to a special, monitored collection portfolio and 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.

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).

In the scope of the expected credit loss calculation

In CHF 1,000	30.06.2024	31.12.2023
Receivables in the scope of the expected credit loss calculation	688,944	468,887
Receivables not in the scope of the expected credit loss calculation*	763,883	682,431
Total receivables	1,452,827	1,151,319

* Default risk not borne by Viseca

In the event of possible fraud or if a cardholder claims a chargeback, the respective balance is transferred to a special portfolio and recognised under “Receivables from fraud and chargebacks” until the case is settled. Impairments are recognised for all receivables in this portfolio that are not subject to the expected credit loss model.

Financial liabilities

Bonds

On 27 October 2023, a 2.25 per cent bond for CHF 250 million was issued with a maturity date of 27 October 2026. The issue costs of CHF 0.67 million incurred in connection with the bond issue were capitalised under prepaid expenses and accrued income. 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.

On 6 June 2024, Viseca issued a 1.65 per cent bond for CHF 165 million with a maturity date of 6 June 2028. The issue costs of CHF 0.43 million incurred in connection with the bond issue were capitalised under prepaid expenses and accrued income. The corresponding item is amortised over the term of the bond. The issue price of 100.086% resulted in premium income of CHF 0.14 million. The effective interest rate of the bond thus fell from 1.650% to 1.649% per year.

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 one 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 loan agreement was fully cancelled in the second quarter of 2024, and the outstanding loan amount was repaid. The reduction of the facility and the cancellation are related to the issuance of the bonds in October 2023 and June 2024.

Share capital and reserves

Share capital

As at 30 June 2024, the share capital of the parent company Viseca Payment Services 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 30 June 2024 (31 December 2023: CHF 5.0 million).

Dividends

The following dividends were declared and paid for the 2023 and 2022 financial years:

	30.06.2024	31.12.2023
Number of registered shares entitled to dividends (in units)	25,000	25,000
Ordinary dividends per registered share (in CHF)	1,600	1,600
Dividends paid in CHF thousand	40,000	40,000

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 appropriateness is assessed taking into account the economic development and the risk structure in the card business.

Group structure

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

Change in the scope of consolidation

Changes in the first half of 2024

There were no changes to the scope of consolidation in the first half of 2024.

Changes in 2023

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

Group companies

in CHF 1,000	Country of incorporation	Currency	Share capital 30.06.2024	Share capital 31.12.2023	Ownership interest 30.06.2024	Ownership interest 31.12.2023
Viseca Payment Services SA, Zurich (ZH), parent company	Switzerland	CHF	25,000	25,000	–	–
Viseca Card Services SA, Zurich (ZH)	Switzerland	CHF	22,000	22,000	100%	100%

Events after the balance sheet date

At the time this report was published, the company was not aware of any new material events that would affect the interim financial statements as at 30 June 2024.

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This report is published in German and in 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.

Issuer

Viseca

**Concept, design,
consulting and implementation**

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Photos

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