Cembra

Ad hoc announcement pursuant to Art. 53 LR

Cembra reports 6% increase in net income in the first half of 2026 and acquires the substantial part of Santander's Swiss auto financing business

- Net income increased by 6% to CHF 92.3 million, driven by further efficiency gains
- Net financing receivables grew by 2%, supported by targeted growth in personal loans, auto and cards businesses
- Net revenues remained stable despite lower maximum interest rates and softened macro environment
- Operating expenses declined 9% improving the cost/income ratio to 43.5% from 47.6%, and continued solid loss performance at 1.1%
- Return on equity increased to 14.1% from 13.8%, with strong Tier 1 capital ratio of 17.7%
- Acquisition of Santander's Swiss auto financing business adds further scale and expands distribution and is expected to be EPS accretive from 2027 onwards. Related one-off effects are expected to reduce Group ROE to around 14% in 2026
- Outlook: Excluding the transaction, Cembra expects its 2026 full-year performance to be in line with its previous guidance

Zurich, 23 July 2026 – In the first half of 2026, Cembra increased net income by 6% to CHF 92.3 million, or CHF 3.15 per share. The improvement was driven by a 9% reduction in operating expenses. Net revenues remained stable and net financing receivables increased by 2%, reflecting targeted growth in the personal loans, auto leases and credit cards businesses. The cost/income ratio improved to 43.5% and the loss performance continued to remain solid with a loss rate of 1.1%. Return on equity reached 14.1%, and the Tier 1 capital ratio stood at 17.7%.

Cembra has signed an agreement to acquire the substantial part of Santander's Swiss auto financing business. The acquisition will strengthen Cembra's position in auto financing, particularly in the new car segment, expand its automotive partner network, and add further scale to its leasing platform. Cembra will also become Santander's exclusive Swiss partner for pan-European leasing and financing programmes. The transaction is expected to be EPS accretive by 2027 and to increase Cembra's return on equity by around 25 basis points from 2028. Subject to customary closing conditions, it is expected to close in November 2026.

CEO Holger Laubenthal commented: "The further improvement in our cost/income ratio demonstrates our continued discipline in executing our strategy. With the acquisition, we are taking a focused strategic step to strengthen our position in auto financing and expand our partner network. The transaction adds scale to our leasing platform and gives us access to attractive international leasing programmes. Together with the growing momentum of our growth initiatives, it creates a strong basis for profitable growth and long-term value creation."

Net financing receivables grow while net revenues remain stable

In the first six months of 2026, Cembra's net financing receivables increased by 2% to CHF 6.7 billion. Net financing receivables in personal loans increased by 2% to CHF 2.2 billion, in auto leasing by 1% to CHF 3.3 billion and increased in credit cards by 2% to CHF 1.1 billion, while net financing receivables in BNPL declined by 2% to CHF 0.1 billion.

Net revenues remained stable at CHF 267.2 million. Net interest income was unchanged at CHF 184.3 million with lower interest expenses of CHF 40.9 million compensating for the lower interest income of CHF 225.2 million following the reduction of the maximum interest rates in consumer finance. The net interest margin remained stable at 5.4% (H1 2025: 5.4%).

Commission and fee income was unchanged at CHF 82.9 million. Lower income from credit cards (-3%), and insurance (-5%) were offset by an 11% increase in loans and leases (+11%) and a 2% increase in BNPL. The share of net revenues generated from commission and fee income remained stable at 31% (H1 2025: 31%).

Improved cost/income ratio and continued solid loss performance

Total operating expenses declined by 9% to CHF 116.3 million reflecting further efficiency gains. Personnel expenses declined by 3% to CHF 60.9 million. General and administrative expenses decreased significantly by 15% to CHF 55.4 million, mainly due to lower external service costs and lower depreciation and amortisation. This resulted in an improved cost/income ratio of 43.5% (H1 2025: 47.6%).

Provisions for losses increased by CHF 4.8 million to CHF 36.2 million. The loss rate was 1.1% in the first six months of 2026 compared to 0.9% in the same period in 2025 and remained within Cembra's expected range. The non-performing-loans (NPL) ratio declined to 1.7% from 1.9% at year-end 2025, while the rate of over-30-days past due financing receivables decreased to 3.3% from 3.5%.

Further diversified funding portfolio, and strong capital base

The Group's funding portfolio decreased by 1% to CHF 6.3 billion at 30 June 2026. The share of deposits increased slightly to 57% (31 December 2025: 56%). The weighted average duration increased slightly to 2.3 years at 30 June 2026 from 2.2 years at year-end. The end-of-period funding cost declined to 1.17% (31 December 2025: 1.33%).

Cembra remains very well capitalised, with a strong Tier 1 capital ratio of 17.7% (31 December 2025: 17.6%). Shareholders' equity decreased by 5% to CHF 1.274 billion, following the payout of ordinary and special dividends totalling CHF 164 million in April 2026.

Cembra acquires Santander's Swiss auto financing business and becomes its exclusive partner in Switzerland

Cembra has signed an agreement for the acquisition of the substantial part of Santander Consumer Finance's Swiss auto financing business. The transaction comprises a lending portfolio of about CHF 800 million as well as the intended transfer of nine partner relationships (manufacturers and importers). The agreement aims to ensure continuity for these partners as the business transitions to Cembra. The transaction is expected to close in November 2026, subject to customary closing conditions.

The acquisition will significantly strengthen Cembra's auto financing business, particularly in the new car segment. It will broaden Cembra's network of automotive partners and creates further opportunities for profitable growth.

As part of the transaction, Cembra will also become Santander's exclusive Swiss partner for pan-European leasing and vehicle financing programmes. This will give Cembra access to international manufacturer programmes and further strengthen its position as a preferred financing partner for automotive manufacturers and importers.

The transaction is expected to be EPS accretive from 2027 and to increase the Group's return on equity by around 25 basis points from 2028. It will be financed through a combination of approximately CHF 680 million of additional debt and around CHF 120 million of equity and equity-related instruments, including the planned use of treasury shares corresponding to about 2.0% of share capital. For 2026, Cembra expects integration costs and transaction-related one-off expenses. These costs, together with the planned use of treasury shares, are expected to temporarily reduce the Group's return on equity by around 1 percentage point in 2026.

Outlook

Excluding the transaction, Cembra expects its full-year performance 2026 to be in line with the previous guidance. Including the one-off effects from the planned transaction, Cembra expects an ROE of around 14% for 2026, a loss rate slightly above the mid-term guidance of around 1%, a cost/income ratio below 43% as well as a Tier 1 capital ratio of around 17%. Cembra aims to pay a dividend of at least CHF 4.60 for the current financial year. The company will present an update on its strategy and financial targets at an Investor Day in early December 2026.

All documents (investor presentation, interim report and this media release) are available at www.cembra.ch/investors

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Audio webcast and telephone conference for investors and analysts (in English)

Date and time:	23 July 2026 at 8.30 a.m. CET
Speakers:	Holger Laubenthal (CEO), Christoph Glaser (CFO) and Volker Gloe (CRO)
Audio webcast:	www.cembra.ch/investors
Telephone:	Europe: +41 (0) 58 310 50 00
	UK: +44 (0) 203 059 58 63
	US: +1 (1) 631 570 6313
Q&A session:	Following the presentation, participants will have the opportunity to ask questions

Please dial in before the start of the presentation and ask for "Cembra's half-year results".

Media call for journalists (in German)

Date and time:	23 July 2026 at 10 a.m. CET
Speaker:	Holger Laubenthal (CEO)
Register at:	media@cembra.ch

About Cembra

Cembra is a leading Swiss provider of innovative financing and payment solutions. The product range includes personal loans and auto leases and loans, credit cards, the insurance made available in this context, invoice financing and savings products.

Cembra serves over 2 million customers in Switzerland and employ about than 800 people from 40 countries. Headquartered in Zurich, Cembra operates across Switzerland through a network of branches and online distribution channels, as well as through our credit card partners, independent intermediaries and car dealers.

Cembra has been listed as an independent Swiss bank on the SIX Swiss Exchange since 2013. The company is rated A- by Standard & Poor's and is recognised for its strong sustainability performance by leading ESG rating agencies.

Consolidated statements of income (unaudited)

For six months ended 30 June (CHF in millions)	**H1 2026**	**H1 2025**	**Change as %**
Interest income	225.2	231.4	-3
Personal loans	82.6	88.9	-7
Auto leases and loans	89.8	89.2	1
Credit cards	51.4	51.0	1
Other	1.4	2.3	-39
Interest expense	-40.9	-47.1	-13
Net interest income	**184.3**	184.3	**0**
Commission and fee income	**82.9**	83.0	**0**
Insurance	11.1	11.6	-5
Credit cards	42.8	44.1	-3
Loans and leases	9.4	8.5	11
BNPL	19.4	19.4	0
Other	0.2	-0.6	<-100
Net revenues	**267.2**	267.3	**0**
Provision for losses on financing receivables	**-36.2**	-31.4	**15**
Compensation and benefits	-60.9	-62.5	-3
General and administrative expenses	-55.4	-64.8	-15
Professional services	-9.9	-11.2	-12
Marketing	-4.6	-4.7	-1
Collection fees	-9.2	-7.8	18
Postage and stationery	-5.1	-5.7	-10
Rental expense under operating leases	-2.6	-3.0	-11
Information technology	-23.4	-27.7	-16
Depreciation and amortisation	-7.3	-10.2	-28
Other	6.8	5.4	27
Total operating expenses	**-116.3**	-127.3	**-9**
Income before income taxes	**114.7**	108.6	**6**
Income tax expense	-22.4	-21.4	5
Net income	**92.3**	87.2	**6**

For six months ended 30 June (CHF)	**H1 2026**	**H1 2025**
Earnings per share		
Basic	3.15	2.97
Diluted	3.14	2.97

Balance sheet (unaudited)

(CHF in millions)	30 Jun 2026	31 Dec 2025	Change as %
Assets			
Cash and cash equivalents	495	781	-37
Financing receivables, net	6,690	6,584	2
Personal loans	2,186	2,147	2
Auto leases and loans	3,324	3,281	1
Credit cards	1,051	1,026	2
BNPL	128	131	-2
Investment securities	223	202	10
Property, equipment and software, net	54	59	-8
Intangible assets, net	11	11	-7
Goodwill	190	190	0
Other assets	98	115	-15
Total assets	**7,760**	**7,943**	**-2**
Liabilities and equity			
Deposits	3,590	3,590	0
Accrued expenses and other payables	151	165	-8
Short-term debt	450	400	12
Long-term debt	2,256	2,401	-6
Other liabilities	30	34	-14
Deferred tax liabilities, net	9	8	18
Total liabilities	**6,486**	**6,597**	**-2**
Common shares	30	30	0
Additional paid in capital (APIC)	261	260	0
Retained earnings	1,034	1,106	-7
Treasury shares	-45	-42	6
Accumulated other comprehensive income (loss) (AOCI)	-6	-8	-26
Total shareholders' equity	**1,274**	**1,345**	**-5**
Total liabilities and shareholders' equity	**7,760**	**7,943**	**-2**

Operating segments statement of income (unaudited)

For six months ended 30 June 2026 (CHF in millions)	**Lending**	**Payments**	**Total Group**
Interest income	173.1	52.1	225.2
Interest expense	-33.6	-7.3	-40.9
Net interest income	**139.5**	**44.8**	**184.3**
Commission and fee income	**19.3**	**63.7**	**82.9**
Net revenues	**158.7**	**108.5**	**267.2**
Provision for losses on financing receivables	**-24.8**	**-11.4**	**-36.2**
Compensation and benefits	-36.6	-24.3	-60.9
General and administrative expenses	-25.4	-30.0	-55.4
Total operating expenses	**-62.0**	**-54.3**	**-116.3**
Income tax expense	-14.1	-8.3	-22.4
Net income	**57.8**	**34.5**	**92.3**

Key figures (unaudited)

For six months ended 30 June	**H1 2026**	**H1 2025**
Earnings per share		
Net income attributable to shareholders (CHF in millions)	92.3	87.2
Weighted-average number of common shares outstanding for basic earnings per share	29,294,677	29,320,056
Weighted-average number of common shares outstanding for diluted earnings per share	29,371,984	29,405,499
Basic earnings per share (in CHF)	3.15	2.97
Diluted earnings per share (in CHF)	3.14	2.97
Ratios		
Return on equity (annualised, in %)	14.1	13.8
Return on assets (annualised, in %)	2.4	2.2
Cost / income ratio (in %)	43.5	47.6
Net interest margin (annualised, in %)	5.4	5.4
Loss rate (annualised, in %)	1.1	0.9

As at 30 June	**30 Jun 2026**	**31 Dec 2025**
Capital adequacy		
Risk-weighted assets (CHF in millions)	6,354	6,262
Tier 1 capital[1] (CHF in millions)	1,123	1,102
Tier 1 capital ratio (in %)	17.7%	17.6%
Share		
Share price (in CHF)	94.60	99.35
Market capitalisation (CHF in millions)	2,838	2,981
Employees and credit rating		
Employees (full-time equivalents)	744	773
Credit rating (S&P)	A–	A–

[1] Includes net income adjusted for expected dividend distribution

Figures are rounded and rounding differences may occur. For a glossary of financial indicators including alternative performance measures please see www.cembra.ch/financialreports

Disclaimer regarding forward-looking statements

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These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Group's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include but are not limited to: changing business or other market conditions; legislative, fiscal and regulatory developments; general economic conditions in Switzerland, the European Union and elsewhere; and the Group's ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance or achievements to differ materially. In view of these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements. The Group, its directors, officers and employees expressly disclaim any obligation or undertaking to release any update of or revisions to any forward-looking statements in this presentation and these materials and any change in the Bank's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable laws or regulations.

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