



# Cembra Money Bank AG

Zurich, Switzerland

CHF 200,000,000

Bonds 2019-2026

This prospectus (the "**Prospectus**") relates to an offering (the "**Offering**") of 0.1525 per cent senior bonds due 2026 (the "**Bonds**", and each a "**Bond**") of Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland (the "**Company**" or the "**Issuer**" and, together with its Subsidiaries (as defined in the Terms of the Bonds), the "**Issuer's Group**" or the "**Group**") in the aggregate principal amount of Swiss francs ("**CHF**") 200,000,000. Unless defined otherwise herein, the words and expressions defined in the "**Terms of the Bonds**" below shall have the same meaning in this Prospectus.

Issuer:	Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland.
Issue Price:	100% of the Principal Amount.
Price for Placement:	The placement price of the Bonds will be fixed in accordance with supply and demand.
Issue Size:	CHF 200,000,000.
Interest Rate:	0.1525 per cent, payable annually in arrears on 14 October of each year, commencing on 14 October 2020.
Payment Date:	14 October 2019 (the " <b>Payment Date</b> ").
Maturity Date:	14 October 2026 (the " <b>Maturity Date</b> ") (7 years), at par.
Early Redemption:	At the Issuer's option in whole, but not in part, at par of the Aggregate Principal Amount plus accrued interest, if any, if 85% of the initial Aggregate Principal Amount of the Bonds has been redeemed or purchased and cancelled at such time in accordance with the Terms of the Bonds.
Reopening:	The Issuer reserves the right to reopen and increase the aggregate Principal Amount at any time prior to the Maturity Date.
Assurances:	<i>Pari passu</i> clause, negative pledge clause, events of default provisions, and cross default clause, all as provided in the Terms of the Bonds
Issuer Rating:	Issuer is rated A- by S&P.
Rating of the Bonds:	The Bonds are rated A- by S&P.
Form of the Bonds:	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with article 973c of the Swiss Code of Obligations and registered in the main register ( <i>Hauptregister</i> ) with SIX SIS Ltd (" <b>SIS</b> "). Once the uncertificated securities are registered in the main register with SIS and entered into the accounts of one or more participants of SIS, the Bonds will constitute intermediated securities ( <i>Bucheffekten</i> ) within the meaning of the Swiss Federal Act on Intermediated Securities. Printing and physical delivery of individually certificated Bonds is excluded.
Status:	The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer ranking <i>pari passu</i> amongst themselves and with all other unsecured and unsubordinated obligations of the Issuer.
Denomination:	CHF 5,000 (" <b>Principal Amount</b> ").
Listing and Trading:	The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange with effect from 11 October 2019. Application will be made for the Bonds to be listed in accordance with the Standard for Bonds on the SIX Swiss Exchange. The last day of trading for the Bonds on the SIX Swiss Exchange is expected to be 12 October 2026.
Sales Restrictions:	In particular U.S.A., EEA and UK. For a more complete description of restrictions on offers, sales and transfers, see "Sales Restrictions".
Risks:	See "Risk Factors".
Governing Law and Jurisdiction:	Swiss law, courts of the City of Zurich.
Joint Lead Managers:	Zürcher Kantonalbank, Credit Suisse AG, Deutsche Bank AG London Branch, acting through Deutsche Bank AG Zurich Branch.

## Joint Lead Managers

Zürcher Kantonalbank

Credit Suisse AG

Deutsche Bank AG London Branch, acting  
through Deutsche Bank AG Zurich Branch

Bonds

Swiss Security No.:  
41'904'165

ISIN:  
CH0419041659

Common Code:  
206334231

Prospectus dated 10 October 2019

## IMPORTANT INFORMATION

Prospective Holders are expressly advised that an investment in the Bonds entails financial risks (including, without limitation, the risks that (a) there is no prior market for the Bonds and no active trading market may develop, and that (c) the Bond prices may be volatile). Prospective Holders should therefore carefully review the entire content of this Prospectus. For a description of certain further risks see "Risk Factors".

The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe such restrictions.

This Prospectus may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. In making an investment decision, prospective Holders must rely on their own examination of the Issuer and the terms and conditions of the Offering, including the merits and risks involved. Prospective Holders should not construe anything in this Prospectus as legal, business or tax advice. Each prospective Holder should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Bonds under applicable laws and regulations.

Further, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

No dealer, salesman or any other person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. No representation or warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their affiliates or advisors or selling agents as to the accuracy or completeness of any information contained in this Prospectus and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Joint Lead Managers or any of their affiliates or advisors or selling agents as to the past or the future.

Neither the delivery of this Prospectus nor any sale of Bonds shall under any circumstances create any implication that there has been no change in the information contained herein or in the affairs of the Issuer since the date hereof.

All references in this document to "Swiss francs" and "CHF" are to the lawful currency of Switzerland.

## SALES RESTRICTIONS

### United States of America and United States Persons

- A) Each of the Joint Lead Managers has represented, warranted and agreed that the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act).

Each of the Company and the Joint Lead Managers has also represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Bonds constituting part of their allotment within the United States or to or for the account or benefit of United States persons except in accordance with Rule 903 of Regulation S under the Securities Act ("**Regulation S**").

Each of the Company and the Joint Lead Managers has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any selling efforts directed to the United States with respect to the Bonds.

Terms used in this paragraph A) have the meanings given to them by Regulation S.

- B) Each of Joint Lead Managers has represented, warranted and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds, except with their affiliates or with the prior written consent of the Company.

### United Kingdom

Each Joint Lead Manager represented and agreed that: (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and (ii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA would not, if the Company was not an authorised person, apply to the Company.

### European Economic Area

In relation to each Member State of the European Economic Area (each, a "**Member State**"), each Joint Lead Manager has represented and agreed that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Member State except that it may make an offer to the public in that Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or
- (c) in any circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Bonds shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

## **Other Jurisdictions**

Neither the Company nor any of the Joint Lead Managers has represented that the Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. The distribution or possession of this Prospectus (in preliminary proof or final form) and the offering, sale, purchase or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company and the Joint Lead Managers to inform themselves about and to observe any such restrictions, in all cases at their own expense.

This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction (other than Switzerland) that would permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains various forward-looking statements, including statements of future financial and operational developments and results as well as other projections and statements that are forward-looking or contain subjective assessments, regarding the intent, belief or current expectations of the Company or its management, that are subject to risks and uncertainties that could cause the actual results and financial position of the Company to differ materially from the information presented herein. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and/or depend on circumstances that may or may not occur in the future.

The words "believe", "anticipate", "plan", "expect", "project", "estimate", "predict", "intend", "target", "assume", "may", "could", "will" and similar expressions are intended to identify such forward-looking statements and subjective assessments. Such statements are made on the basis of assumptions, estimates and expectations that the Company believes to be reasonable at this time, but may prove to be erroneous or unfounded in the future. The risks and uncertainties facing the Company that could affect the future accuracy of these forward-looking statements include, but are not limited to, the factors discussed under "Risk Factors" and elsewhere.

Should any of these risks or uncertainties materialise, or should any underlying assumption prove to be incorrect, actual outcomes may vary materially from those indicated in the forward-looking statements. Prospective investors should therefore not rely on any of these forward-looking statements, which speak only as at the date of this Prospectus. In addition, even if the Group's results of operations, financial condition and liquidity, the development of the industry in which it operates and the effect of acquisitions on it are consistent with the forward looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Other than in accordance with the ad-hoc publicity rules of the SIX Swiss Exchange, the Issuer assumes no obligation to update such forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in such forward-looking statements.

## NOTICE TO INVESTORS

This Prospectus has been prepared by the Issuer for the purpose of making offers and sales of Bonds outside the United States to non-U.S. persons in reliance on Regulation S. Each investor will be deemed to have represented and agreed that such investor understands that the Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them in Regulation S.

This Prospectus shall be read and construed on the basis that the annexes hereto are deemed to be incorporated in, and to form part of this Prospectus.

The financial institutions involved in the issuance and offering of the Bonds are banks, which directly or indirectly have participated, or may participate, in financing transactions or other banking business with the Issuer, which are not disclosed herein.

Investors are advised to familiarise themselves with the entire content of this Prospectus.

### **MiFID II product governance / Retail investors, professional investors and ECPs target market**

Solely for the purposes of the product approval process of any entity which is a manufacturer in relation to the Bonds (pursuant to MiFID II product governance rules), the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Bonds to retail clients are appropriate - investment advice, portfolio management, non-advised sales and pure execution services - subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

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## THE ACQUISITION

### Overview

On 1 July 2019, the Issuer announced that it entered into a share purchase agreement (the "**Share Purchase Agreement**") with Aduno Holding AG ("**Aduno**" or, the "**Seller**") regarding the sale and purchase of all shares in cashgate (the "**Acquisition**"). The Issuer and Aduno (together, the "**Parties**") agreed on a purchase price of CHF 277 million, resulting in an estimated intangible (including goodwill) component of around CHF 165 million under applicable statutory reporting standards for the Issuer.

cashgate is a specialised consumer finance player active in the Swiss personal loan and car leasing markets, and as of 2018 also active in the rental guarantee business. cashgate employs approximately 160 employees across Switzerland in Zurich, St. Gallen and Lausanne with a branch network comprising additional locations in Langenthal, Winterthur, Neuchâtel und Geneva. As of 31 December 2018, cashgate's customer portfolio consisted of 50,000 personal loan, 31,000 leasing and 12,000 rental guarantee customers. The outstanding financing receivables as of 30 December 2018 amounted to CHF 1.436 billion, which have been fully re-financed as part of the transaction. Besides distributing its products online, cashgate sells its products through a broad network of business partners: domestic banks with c. 1,600 branches, c. 2,200 car dealers and c. 100 personal loan agents.

On 2 September 2019, the Acquisition was closed successfully, and, consequently, cashgate became a fully owned subsidiary of the Issuer.

### Rationale for the Acquisition

The Acquisition aligns with the strategic growth objectives of the Issuer in the Swiss consumer finance market. The acquisition allows the Issuer to not only strengthen its market position in its core markets with an overall increase of 30% in receivables due from customers, but also to generate value primarily through increasing operating leverage and capturing scale effects. The Acquisition underscores the Issuer's position as one of the leading consumer finance providers in Switzerland.

More specifically, the Issuer believes that cashgate gives the Issuer the opportunity to (i) operate a combined consumer finance platform leading to increased cost efficiency, (ii) take advantage of an established brand in the market to capture an area of the personal loan market currently underserved by the Issuer and (iii) accelerate its digital transformation through utilisation of the digital infrastructure of cashgate.

As the transaction is completed, it is envisaged that the car leasing business will be served under the Issuer's brand, whereas the cashgate brand will be primarily continued to be used in the online personal loan distribution channel. The Issuer expects a substantial earnings contribution by cashgate going forward, particularly through the use of synergies.

### Financing of the Acquisition

The Acquisition price for cashgate by the Issuer was financed by a portion of the CHF 1,600,000,000 term facility agreement, through funds raised via an accelerated placement of 1,200,000 treasury shares and by the issuance of Tier 1 bonds in the aggregate amount of CHF 150,000,000. The existing liabilities of cashgate was refinanced primarily through the CHF 1,600,000,000 term facility agreement, which in turn shall be refinanced over time through proceeds from CHF 250,000,000 senior unsecured convertible bonds launched on 1 July 2019, the dual tranche unsecured bonds launched/priced on 8 July 2019 (CHF 250,000,000 and CHF 175,000,000 respectively) and various other capital market instruments expected to be issued over the term of the facility agreement.



## **Transitional Services**

Since closing of the Acquisition, cashgate, for a transitional period of time, continues to be dependent on certain transitional services to be provided by the Seller's affiliates for it to be fully operable and continue its business as currently conducted. For this purpose, the Seller has agreed that it will procure that two Aduno affiliates shall continue to provide certain transitional services pursuant to the terms and conditions of the transitional services agreement between cashgate (as service recipient) and two Aduno affiliates (as service providers).

## **Regulatory Considerations**

Since closing of the Acquisition, cashgate became part of the financial group of the Issuer and, as a consequence, is subject to regulatory group supervision requirements and consolidated supervision by FINMA. The Issuer was granted by FINMA a transitional period of 6 months after the Acquisition (exemption from specific group supervision requirements) in order to establish compliance with applicable group supervision requirements.

## GENERAL INFORMATION ABOUT THE OFFERING AND THE BONDS

### Authorisation

By way of board of directors' resolution, the board of directors of the Issuer (the "**Board of Directors**") authorised on 21 August 2019 the issue of these Bonds. In addition, the Issuer will enter into a bond purchase agreement with Zürcher Kantonalbank, Credit Suisse AG and Deutsche Bank AG Zurich Branch on or around the date of this Prospectus regarding the purchase of the Bonds by the Joint Lead Managers.

### Use of net proceeds

The net proceeds of the Offering, being the amount of CHF 199,381,000 (the "**Net Proceeds**"), will be used by the Issuer for refinancing of an upcoming bond redemption and refinancing of a bridge facility.

### Listing agent

Zürcher Kantonalbank has been appointed by the Issuer as its representative to lodge the listing application for the Bonds with SIX Exchange Regulation Ltd in accordance with article 58a of the listing rules of SIX Swiss Exchange.

### Principal Paying Agent

Zürcher Kantonalbank is acting as principal paying agent for the Bonds.

### Documents available

Copies of this Prospectus are available free of charge from Zürcher Kantonalbank, Zurich, Switzerland (e-mail: [prospectus@zkb.ch](mailto:prospectus@zkb.ch)), Credit Suisse AG, Zurich, Switzerland (e-mail: [newissues.fixedincome@creditsuisse.com](mailto:newissues.fixedincome@creditsuisse.com)), Deutsche Bank AG Zurich Branch, Switzerland, (e-mail: [swiss.transaction@list.db.com](mailto:swiss.transaction@list.db.com)) and Cembra Money Bank AG, Zurich, Switzerland (e-mail: [treasury@cembra.ch](mailto:treasury@cembra.ch)).

## INFORMATION ABOUT THE ISSUER AND THE GROUP

### **Name, registered office and principal place of business**

Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland.

### **Incorporation, registration, duration**

The Issuer was founded on 17 December 2009 under Swiss law and is registered in the Commercial Register of the Canton of Zurich. Its current registration number (UID) is CHE-115.295.655.

The Issuer's duration is unlimited as per its articles of incorporation dated 17 April 2019 (the "**Articles of Incorporation**").

### **Legal basis, legal form**

The Issuer is established as a company limited by shares under the Swiss Code of Obligations.

### **Purpose**

According to article 2 of the Articles of Incorporation, the purpose of the Company is to operate a bank. The Issuer's scope of business comprises all types of banking activities in Switzerland and in the Principality of Liechtenstein as well as in the border areas between Switzerland and its neighbouring countries, in particular: (a) the grant of secured and unsecured loans and credits of all kinds, in particular consumer and mortgage loans, the credit card business, the leasing business, the refinancing of leasing businesses and the brokering of services related to these activities, such as residual debt insurances; (b) acceptance of monies as is customary for a bank, in particular in the form of deposit accounts, medium term bonds and fixed deposits.

The Issuer may acquire, hold and dispose of real estate, incorporate branches and subsidiaries in Switzerland and abroad, invest in other enterprises, process data for third parties and effect all financial, commercial and other transactions that are related to the performance of the purpose of the Issuer.

### **Group**

The consolidated accounts of the Group comply with the Swiss Code of Obligations, the Swiss Banking Act and its implementing ordinance and FINMA accounting guidelines and have been prepared according to the true and fair view principle.

The Group comprises the Issuer as the parent company and its wholly owned subsidiaries:

- SWISSBILLING SA;
- eny Credit GmbH;
- Swiss SME Loans 2018-1 GmbH;
- Swiss Auto Lease 2019-1 GmbH;
- Swiss Auto Lease 2016-1 GmbH;
- Swiss Auto Lease 2015-1 GmbH; and
- Swiss Auto Lease 2013-1 GmbH in Liquidation.

As per the closing date of the Acquisition, cashgate became an additional wholly owned subsidiary of the Issuer.

## **Information about the Board of Directors, management and auditors**

### **Board of Directors**

The Board of Directors is the body responsible for high level management of the Issuer. It decides the general policy of the Issuer and the nature of its activities in line with the objectives defined by law and the Articles of Incorporation.

The Board of Directors is constituted by the following members:

Dr. Felix Weber	Chairman of the Board of Directors
Prof. Dr. Peter Athanassoglou	Chairman Audit and Risk Committee
Urs Baumann	Chairman Compensation and Nomination Committee
Denis Hall	Member Audit and Risk Committee
Katrina Machin	Member Compensation and Nomination Committee
Dr. Monica Mächler	Member Audit and Risk Committee
Simonis Maria Hubertus Tellings	Member Compensation and Nomination Committee

The business address of the members of the Board of Directors is Bändliweg 20, 8048 Zurich, Switzerland.

### **Group management**

Group management is the Group's executive body which reports to the Board of Directors.

The Group management comprises the following members:

Robert Oudmayer	Chief Executive Officer
Jörg Fohringer	Managing Director B2B
Daniel Frei	Managing Director B2C
Volker Gloe	Chief Risk Officer
Dr. Emanuel Hofacker	General Counsel
Niklaus Mannhart	Chief Operating Officer
Pascal Perritaz	Chief Financial Officer

The business address of the members of the group management is Bändliweg 20, 8048 Zurich, Switzerland.

### **Independent Auditors**

The auditors are elected by the shareholders' meeting on an annual basis. The current auditors are KPMG AG (CHE-106.084.881), Räflestrasse 28, 8045 Zurich, Switzerland.

## Capital

The registered share capital of the Issuer amounts as of the date of this Prospectus to CHF 30,000,000. It is divided into 30,000,000 registered shares with a nominal value of CHF 1.00 each. Each share carries one vote in the Issuer's meetings of shareholder. The shares rank *pari passu* in all respects with each other, including with respect to dividends, to a share in the liquidation proceeds in case of a liquidation of the Issuer, and to subscription rights (*Bezugsrechte*).

### Authorised Capital

Pursuant to article 4 of the Articles of Incorporation, the Issuer has the following authorised share capital:

<sup>1</sup> *The Board of Directors is authorised to increase the share capital, at any time until 17 April 2021, up to a maximum amount of CHF 3,000,000 by issuing up to 3,000,000 fully paid in registered shares with a par value of CHF 1.00 each. An increase of the share capital (i) by means of an offering underwritten by a financial institution, a syndicate of financial institutions or another third party or third parties, followed by an offer to the then-existing shareholders of the Company, and (ii) in partial amounts shall be permissible.*

<sup>2</sup> *The subscription and acquisition of the new shares and any subsequent assignment of the shares shall be subject to the restrictions of Article 8 of these Articles of Incorporation.*

<sup>3</sup> *The Board of Directors shall determine the time of the issuance, the issue price, the manner in which the new shares are to be paid in, the conditions for the exercise of the pre-emptive rights and the allotment of pre-emptive rights that have not been exercised, and the date from which the shares carry dividend rights. The Board of Directors shall have the right to restrict or deny any trade with pre-emptive rights. It may allow pre-emptive rights that have not been exercised to expire, and it may place such rights or shares with respect to which the pre-emptive rights have not been exercised at market conditions or may use them in another way in the interest of the Company.*

<sup>4</sup> *The Board of Directors is further authorised to withdraw or limit the pre-emptive rights of the shareholders and allot them to individual shareholders or third parties if:*

- (a) the new shares are to be used for the acquisition of an enterprise, part(s) of an enterprise or participations, or for the financing or refinancing of such transactions, or for the financing of new investment plans of the Company; or*
- (b) the new shares are to be used for the purpose of broadening the shareholder constituency of the Company in connection with the listing of new shares on foreign stock exchanges or, for purposes of the participation of strategic partners of the Company; or*
- (c) if, in the determination of the issue price of the new shares, the market price is taken into account.*

*If, in connection with acquisitions of enterprises or investments, the Company enters into commitments under convertible bonds or warrant bonds, the Board of Directors shall be entitled to issue shares under the exclusion of the pre-emptive rights of current shareholders in order to honour the commitments under such bonds."*

### Conditional Share Capital

Pursuant to article 5 of the Articles of Incorporation, the Issuer has the following conditional share capital for conversion rights and/or warrants:

<sup>1</sup> *The share capital may be increased by an amount not to exceed CHF 3,000,000 by the issuance of up to 3,000,000 fully paid registered shares with a nominal value of CHF 1.00 each, (a) through the voluntary or mandatory exercise of conversion rights and/or warrants granted in connection with the issuance on national or international capital markets of newly or already issued bonds or other financial market instruments by the Company or one of its group companies and (b) through the exercise of warrant rights granted to the share-*

holders by the Company or one of its group companies. The Board of Directors may use warrant rights not taken up by shareholders for other purposes in the interest of the Company. The pre-emptive rights of the shareholders are excluded in connection with the issuance by the Company or any of its group companies of bonds or other financial market instruments which are linked to conversion rights and/or the issuance of warrants. The then current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors.

<sup>2</sup> The acquisition of shares through the voluntary or mandatory exercise of conversion rights and/or warrants and each subsequent transfer of the shares shall be subject to the restrictions of Article 8 of these Articles of Incorporation.

<sup>3</sup> In connection with the issuance by the Company or one of its group companies of bonds or other financial market instruments which are linked to conversion rights and/or warrants, the Board of Directors is authorised to restrict or deny the advance subscription rights of shareholders if such issuance is made for the purpose of financing or refinancing the acquisition of an enterprise, parts of an enterprise, or participations or for new investments or for the issuance on national or international capital markets. If advance subscription rights are denied by the Board of Directors, the following shall apply: the bonds or other financial market instruments which are linked to conversion rights and/or warrants shall be issued at the relevant market conditions and new shares shall be issued at market conditions, under consideration of the current price on the stock exchange of the shares of the Company and/or comparable financial instruments having a market price. Conversion rights may be exercised during a maximum 20-year period, and warrants may be exercised during a maximum 10-year period, in each case from the date of the respective issuance. The advance subscription rights of the shareholders may be granted indirectly."

Pursuant to article 6 of the Articles of Incorporation, the Issuer has the following conditional share capital for employee options:

<sup>1</sup> The share capital may be increased by an amount not to exceed CHF 900,000 through the issuance of up to 900,000 fully paid registered shares with a nominal value of CHF 1.00 each by the issuance of new shares to members of the Board of Directors, members of the Management Board and employees of the Company and group companies. The pre-emptive rights of the shareholders of the Company shall be excluded. The shares or rights to subscribe for shares shall be issued to members of the Board of Directors, members of the Management Board and employees of the Company or group companies pursuant to one or more regulations to be issued by the Board of Directors. Shares or subscription rights may be issued at a price lower than that quoted on the stock exchange.

<sup>2</sup> The acquisition of shares within the context of employee share ownership and each subsequent transfer of the shares shall be subject to the restrictions of Article 8 of these Articles of Incorporation."

### **Listing of the Shares**

The shares of the Company are listed in accordance with the International Reporting Standard on SIX Swiss Exchange under the symbol "CMBN".

### **Capital adequacy requirements**

The FINMA Circular 2011/2 "Capital buffer and capital planning – banks" determines overall capital adequacy requirements under Pillar 2 to allow for any risks not covered by the minimum requirements of Pillar 1 and to ensure that such minimum requirements are met even in adverse circumstances. For that purpose, the Regulator divides banks into five categories with varying capital adequacy target levels. The allocation of financial institutions to these five categories is reviewed periodically by the Regulator.

The Group belongs to "category 4" as created by FINMA Circular 2011/2. As of 31 December 2018, the applicable regulatory requirements for a category 4 bank are set by FINMA at 11.2%. The Group aims to consistently operate at a capital base that is well above this mark, defining an internal trigger of a minimum tier 1 capital ratio of 17% on a Group basis. Compliance with this trigger is monitored at the monthly ALCO meeting. As of 31 December 2018, the Group's tier 1 capital ratio was 19.2%.

For further information about the capital adequacy requirements please refer to Index to Financial Information.

### Outstanding conversion and option rights and bonds

As of the date of this Prospectus, the Issuer does not have any option rights outstanding. One convertible bond is outstanding as per the below.

At the date of this Prospectus, the Issuer has the following bonds outstanding:

ISIN	Type	Currency	Nominal	Coupon	Term
CH0255287010	Senior unsecured	CHF	100mn	0.75%	2014/2019
CH0255287028	Senior unsecured	CHF	100mn	1.25%	2014/2022
CH0295050915	Senior unsecured	CHF	175mn	0.50%	2015/2021
CH0336587735	Senior unsecured	CHF	200mn	0.18%	2016/2023
CH0385997090	Senior unsecured	CHF	200mn	0.25%	2017/2024
CH0367206718	Senior unsecured	CHF	150mn	0.375%	2017/2025
CH0406959210	Floating Rate Note	CHF	50mn	0%	2018/2020
CH0419042475	Senior unsecured	CHF	125mn	0.875%	2018/2026
CH0485252784	AT1 Bonds	CHF	150mn	2.5%	2019/-
CH0486598227	Convertible Bonds	CHF	250mn	0%	2019/2026
CH0419041345	Senior unsecured	CHF	250mn	0%	2019/2023
CH0419041352	Senior unsecured	CHF	175mn	0.285%	2019/2027

The convertible bonds (ISIN CH0486598227) confer a conversion right with reference to registered shares with the then applicable nominal value of the Issuer. In addition, subsidiaries of the Issuer have issued the following asset-backed securities:

Subsidiary	ISIN	Type	Currency	Nominal	Coupon	Term
Swiss Auto Lease 2016-1	CH0328298028	ABS (auto lease)	CHF	200mn	0.22%	2016/2020
Swiss Auto Lease 2019-1	CH0465044656	ABS (auto lease)	CHF	250mn	0.15%	2019/2022

## Own shares

As of 9 October 2019, the Issuer held 621,644 own shares.

## Dividends

The Issuer has paid the following dividends in CHF for the past five fiscal years to holders of shares in the Company:

Business Year	2018	2017	2016	2015	2014
Dividend per share in CHF	3.75	3.55	4.45	3.35	3.10

## Rating

The Issuer is rated A- by S&P.

The Bonds are rated A- by S&P.

## Notices

Notices in relation to the Issuer will be published in the Swiss Official Gazette of Commerce.

All notices in relation to the Bonds will be published in electronic form on the internet site of SIX Swiss Exchange under the section headed "Official Notices" (currently: [https://www.six-group.com/exchanges/news/official\\_notices/search\\_en.html](https://www.six-group.com/exchanges/news/official_notices/search_en.html)).

## Business activities

The Group is a leading Swiss provider of consumer finance products and services. The Group is subject to prudential supervision by FINMA, holds a banking licence and provides a range of financial products and services. Headquartered in Zurich, the Issuer operates almost entirely in Switzerland through a nationwide network of 16 branches as well as through alternative distribution channels, such as internet, credit card partners (including Migros, Conforama, Fnac and Touring Club Schweiz), independent intermediaries and auto dealers. As of 31 December 2018, the Group employed approximately 855 employees and served approximately 870,000 customers. It includes all of the Group's consumer finance products, including unsecured personal loans, auto leases and loans, credit cards and insurance products sold with these products as well as invoice financing.

### Personal loans

The Group offers general purpose unsecured loans to retail customers and occasionally to small businesses. Personal loan financing receivables amounted to approximately CHF 1,885 million as at 31 December 2018.

### Auto Leases and loans

The Group offers leases of, and loans to, finance the purchase of, both new and used vehicles (primarily cars but also other auto vehicles including light commercial vehicles, motorcycles and caravans) to private and self-employed individuals and small businesses. The Group also offers an inventory finance product on a limited scale. The Group's auto lease and auto loan portfolio is diversified by geography within Switzerland, brand and auto dealer.

The Group's auto lease and auto loan products are distributed throughout Switzerland and, to a very limited extent, Liechtenstein. The Issuer works with approximately 3,900 auto dealers in Switzerland. It does not



have an exclusive arrangement with its auto dealers and relies on service excellence delivered through a sales team of 28 people located throughout Switzerland and by its 3 service centres (Zurich, Renens, Camorino) split by language region.

### **Credit cards**

The Group began offering credit cards in November 2006 through its cooperation with Migros, the largest retailer in Switzerland. Since then, the Group has added to its range of credit cards and now also runs partner programmes with Conforama and Touring Club Schweiz and FNAC. It also has its own brand credit card which is primarily offered as an additional product through its branches. All credit cards issued by the Group are Mastercard credit cards and the Issuer holds a Mastercard licence. To differentiate itself from its competitors, the Group has developed its own in-house transaction processing network which allows partner retailers to benefit from reduced processing fees when compared to other Mastercard-processed transactions. The Group also offers an e-service platform for its customers to check their account details and activity online.

The Group earns income on its credit card products from interest charges and various fees such as annual fees, foreign exchange fees, cash withdrawal fees, reminder fees, card replacement fees, processing fees from credit card partners using the Issuer's network and interchange fees through the Mastercard programme.

As at 31 December 2018, the Group offered five different credit cards and had a total of approximately 892,000 credit cards in issue.

### **Insurance**

The Group sells "payment protection" insurance products to its customers with personal loan or auto loan or lease products. It also sells "travel and flight accident" insurance and "card protection" insurance to its credit card customers, with the "travel and flight accident" insurance also being provided as part of a packaged product. In addition, the Group has a relationship with a leading Swiss health insurance provider through which its customers and their families can benefit from a discounted rate on health insurance (the Group acts only as an arranger).

### **Deposits and savings**

In order to finance its business activities as described above, the Group historically offered saving products, such as savings accounts and term deposits to retail customers. Since 2010, the Group has extended its offering of term deposit products to institutional customers. As at 31 December 2018, the Issuer held a total of CHF 959 million in retail deposits (direct and custody) and savings accounts and CHF 1,868 million in institutional deposits. Almost all the Issuer's deposit and savings account customers are Swiss or otherwise resident in Switzerland and only Swiss residents are accepted as new customers. Direct retail deposits and retail savings are both covered by the Swiss deposit protection scheme up to CHF 100,000 per customer.

### **Swissbilling**

The Group provides, via its subsidiary Swissbilling, invoicing and factoring services to Swiss merchants. Swissbilling founded in 2011 and bought by the Issuer in 2017, offers an invoice service for online shops as well as an offline tool to transmit invoices to Swissbilling, which is used by merchants to offer an additional payment method including instalments or as a mean to outsource the invoice handling or secure liquidity.

The online business continues to grow faster than the market with an YTD growth rate of above 20%. The offline solution was launched mid-2018 and since then ca. 190 merchants have been on boarded.

### **Court, arbitration and administrative proceedings**

The Group is, from time to time, involved in various claims and lawsuits incidental to the ordinary operations of its business. Other than as disclosed in this Prospectus, the Group is currently not involved in any court, arbitral or administrative proceedings that are of material importance to its assets and liabilities or profits and losses nor, as far as the Group is aware, are any such proceedings threatened.

### **Recent developments**

Other than the Acquisition (see "*The Acquisition*") and as otherwise disclosed in this Prospectus, no significant developments occurred in the operations and net financial liabilities of the Issuer since 31 December 2018 to and including 10 October 2019.

### **No material changes**

Except as disclosed in this Prospectus, there has been no material change in the assets and liabilities, financial positions or profits and losses of the Issuer since 30 June 2019.

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for all information contained in this Prospectus and confirms that the information contained herein is correct to the best of its knowledge and that no material facts have been omitted.

10 October 2019



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VOLKER GLOE



Pascal Perritaz

Cembra Money Bank AG

V. Gloe und P. Perritaz gem. Zefix Eintrag  
unterschriftsberechtigt  
geprüft am 10.10.19 von Oliver Hochuli, IHKT

## TERMS OF THE BONDS

The terms and conditions of the bonds (each a "**Condition**", and together the "**Terms of the Bonds**") issued by Cembra Money Bank AG, Bändliweg 20, 8048 Zurich, Switzerland (the "**Issuer**"), are as follows:

### 1 Amount and Reopening, Form of the Bonds, Denomination, Custodianship and Transfer of the Bonds

- (a) The initial aggregate principal amount of the Bonds of Swiss francs (CHF) 200,000,000 (in words: two hundred million Swiss francs) is divided into bonds (each a "**Bond**" and collectively the "**Bonds**") with denominations of CHF 5,000 (five thousand Swiss francs) each (the "**Principal Amount**").

The Issuer reserves the right to reopen and increase the aggregate Principal Amount at any time and without prior consultation of or permission of the holders of the bonds (the "**Holder**" and, individually, a "**Holder**") through the issuance of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate).

- (b) The Bonds are issued as uncertificated securities (*Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations.

Such uncertificated securities (*Wertrechte*) will then be entered by the Principal Paying Agent into the main register (*Hauptregister*) of SIX SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIX SIS or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities (*Wertrechte*) are registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities (*Bucheffekten*) (the "**Intermediated Securities**") in accordance with the provisions of the Swiss Intermediated Securities Act of 3 October 2008, as amended (*Bucheffektengesetz*).

- (c) So long as the Bonds are Intermediated Securities (*Bucheffekten*), the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.

- (d) The records of the Intermediary will determine the number of Bonds held through each participant of that Intermediary. In respect of Bonds held in the form of Intermediated Securities, the Holders will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their name.

- (e) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global certificate (*Globalurkunde*) or individually certificated bonds (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*). No physical delivery of the Bonds shall be made.

### 2 Interest

The Bonds bear interest from (but excluding) 14 October 2019 (the "**Closing Date**") until (and including) the Maturity Date at the rate of 0.1525 per cent *per annum* of their Principal Amount (the

CHF amount in respect of each Bond so calculated being the "**Interest Amount**"), payable annually in arrears on 14 October of each year (each an "**Interest Payment Date**"), for the first time on 14 October 2020. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months.

### **3 Redemption, Purchase and Cancellation**

(a) **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled, the Issuer undertakes to repay all outstanding Bonds at the Principal Amount, together with unpaid accrued interest to such date, without further notice on 14 October 2026 (the "**Maturity Date**").

(b) **Early Redemption at the Option of the Issuer**

Subject to a period of not less than thirty (30) nor more than sixty (60) days' prior notice to the Principal Paying Agent, the Issuer may redeem the Bonds at any time after the Closing Date and prior to the Maturity Date, in whole, but not in part only, at the Principal Amount together with any accrued, but unpaid interest, if any, to (but excluding) the date determined by the Issuer for early redemption, if eighty-five (85) per cent or more of the aggregate Principal Amount have been redeemed or purchased and cancelled at the time of such notice.

(c) **Purchases**

The Issuer may, either directly or indirectly, at any time purchase Bonds at any price, in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out below.

If purchases are made by public tender, such tender must be available to all Holders alike.

(d) **Cancellation**

All Bonds which are redeemed or surrendered for cancellation shall forthwith be cancelled. All Bonds so cancelled cannot be reissued or resold.

(e) **Notice**

Where the provisions of this Condition 3 provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Holders as soon as practicable pursuant to Condition 10. Such notices shall be irrevocable.

### **4 Payments**

The amounts required for payments with respect to the Bonds will be made available in good time in freely disposable CHF which will be placed at the free disposal of the Principal Paying Agent on behalf of the Holders. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sum in relation thereto. All payments with respect to the Bonds will be made to the Holders in CHF without collection costs.

The receipt by the Principal Paying Agent of the due and punctual payment of the funds in CHF as above provided shall release the Issuer of its payment obligations under the Bonds to the extent of such payments.

If the Bonds are not redeemed when due, interest shall continue to accrue until (and including) the day when the Bonds are redeemed.

## **5 Statute of Limitations**

Claims for interest payments shall become time-barred in accordance with Swiss law presently after a period of five (5) years and claims for the redemption of Bonds after a period of ten (10) years, calculated from their respective due dates.

## **6 Taxation**

All payments in respect of the Bonds are subject to all applicable taxes, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at a rate of thirty-five (35) per cent.

## **7 Status of the Bonds and Negative Pledge**

### **(a) Status**

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, rank *pari passu* among themselves and with all other unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.

### **(b) Negative Pledge**

So long as any Bonds remain outstanding, the Issuer will not, directly or indirectly, create any guarantee, mortgage, lien, pledge, charge or other form of encumbrance or security interest (each a "**Security**"), other than a Permitted Security, upon the whole or any part of its present or future assets or revenues, to secure any Relevant Debt or to secure any guarantee or indemnity in respect of any Relevant Debt, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds:

(i) are secured equally and ratably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or

(ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the Holders' Representative,

*provided that* the Issuer may, directly or indirectly, create any Security for Secured Financing if, immediately after giving effect to the issuance of such Secured Financing,

(i) the aggregate principal amount of outstanding Secured Financing is below the Secured Financing Cap, or

(ii) subject to the provision below, the Secured Financing Ratio is below 35%,  
*provided further* that if the aggregate principal amount of Secured Financing is above the Secured Financing Cap and the Secured Financing Ratio is above 30%, the Issuer shall, within three months from the issuance of such Secured Financing, either reduce the aggregate princi-

pal amount of Secured Financing below the Secured Financing Cap or reduce the Secured Financing Ratio below 30%.

## 8 Events of Default

If any of the following events (each event an "**Event of Default**") shall occur, the Holders' Representative has the right but not the obligation, on behalf of the Holders, to declare all outstanding Bonds to be due and repayable as specified in this Condition 8, at the Principal Amount, together with accrued, but unpaid interest, if any, by serving a written notice of default upon the Issuer, but only in case of the occurrence of any of the following events:

- (a) there is a failure by the Issuer to pay the Principal Amount or the Interest Amount on any of the Bonds, when due and such failure continues for a period of twenty (20) calendar days; or
- (b) a default is made in the performance or observance of any material covenant, condition or provision which is to be performed by the Issuer under the Terms of the Bonds (other than the covenant pursuant to Condition 7(b)) and (except where the Holders' Representative certifies in writing that, in its opinion, such default is not capable of remedy, when no such notice or continuation as is mentioned below shall be required) such default continues for a period of twenty (20) calendar days following the service by the Holders' Representative on the Issuer, of notice requiring such default to be remedied; or
- (c) there is a breach of the covenant pursuant to Condition 7(b) and such breach is not remedied within three months of the earlier of (i) the Issuer notifying the Holders' Representative, and (ii) the Issuer becoming aware of the breach; or
- (d) any other present or future indebtedness of the Issuer for or in respect of monies borrowed is not paid when due (otherwise than, where permitted under the terms of the relevant indenture or agreement, at the option of the relevant debtor) and such failure continues for a period of at least five (5) calendar days or, as the case may be, within any applicable grace period, or becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of such indebtedness given by the Issuer is not honored when due and called upon or, as the case may be, within any applicable grace period, provided that no such event shall be taken into account for the purposes of this Condition 8(d) unless such indebtedness, either alone or when aggregated with other indebtedness subject to such events which shall have occurred and are continuing shall at any time equal or exceed the amount of at least CHF 50,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this Condition 8(d) operates); or
- (e) any guarantee, mortgage, lien or other encumbrance, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person but not the serving of a payment order (*Zahlungsbefehl*) provided that the aggregate amount of the relevant indebtedness in respect of which such guarantee, mortgage, lien or other encumbrance was created or permitted to subsist equals or exceeds CHF 50,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the

day on which this Condition 8(e) operates), and any such steps taken are not abandoned or discontinued within twenty (20) calendar days of being taken; or

- (f) the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of (or a particular type of) the debts of the Issuer; or
- (g) the Issuer alters its legal or commercial structure through bankruptcy, liquidation, disposal of all or substantially all of its assets, change in the objects of the legal entity and/or commercial activities or merger (otherwise than the disposal of assets in connection with Secured Financing), in so far as the relevant action, in the Holders' Representative's opinion, has a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, unless the Holders' Representative considers the situation of the Holders as adequately protected based on securities created or other steps taken by the Issuer; or
- (h) a dissolution or merger involving the Issuer as a result of which the Issuer is not the surviving legal entity, unless the successor legal entity assumes all the Issuer's liabilities in respect of the Bonds.

The Issuer shall inform the Holders' Representative without delay that any event mentioned under paragraphs (b) through (h) has occurred and provide the Holders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Holders' Representative has the right but not the obligation to serve a written notice of default (the "**Default Notice**"), such notice having the effect that the Bonds shall become immediately due and payable at the Principal Amount together with accrued but unpaid interest, if any, on the day the Default Notice is given.

Upon the occurrence of an Event of Default, the Holders' Representative may invite the Holders in accordance with art. 1157 seq. of the Swiss Code of Obligations to a Holders' meeting for the taking of a resolution on the serving of a Default Notice, provided the Holders' Representative has not served such Default Notice itself. The legally valid resolution of the Holders' meeting to serve a Default Notice, shall replace the right reserved by the Holders' Representative according to these Terms of the Bonds to serve a Default Notice on behalf of the Holders. If the Holders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Holders' Representative whereby the Holders' Representative shall not be bound by the resolution of the Holders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

## **9 Substitution of the Issuer**

The Issuer may, without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the "**New Issuer**"), provided that:



- (a) the New Issuer is in the opinion of the Holders' Representative in a position to fulfil all payment obligations arising from or in connection with the Bonds, and
- (b) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Holders' Representative.

In the event of a substitution of the Issuer, notice of such substitution shall be made in accordance with the provisions of Condition 10 and any reference to the Issuer shall be deemed to refer to the New Issuer.

## **10 Notices**

All notices regarding the Bonds shall be published by Zürcher Kantonalbank on behalf and at the expense of the Issuer (i) on the internet site of SIX Swiss Exchange (where notices are currently published under the address [www.six-exchange-regulation.com/en/home/publications/official-notices.html](http://www.six-exchange-regulation.com/en/home/publications/official-notices.html)), (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange or (iii) on any other appropriate communication platform in case that the Bonds are delisted.

## **11 Listing**

Application will be made for the admission to trading and listing of the Bonds on the SIX Swiss Exchange for the whole duration of the Bonds.

## **12 Governing Law and Jurisdiction**

The Terms of the Bonds and the Bonds shall be governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to the principles of conflict of laws).

Any dispute which might arise based on the Terms of the Bonds and the Bonds shall be settled in accordance with Swiss law and shall fall within the exclusive jurisdiction of the courts of the city of Zurich, the place of jurisdiction being Zurich 1.

The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of Bonds.

## **13 Amendment to the Terms of the Bonds**

The Terms of the Bonds may be amended by agreement between the Issuer and the Holders' Representative provided that in the sole opinion of the Holders' Representative such amendment is of a formal, minor or technical nature, is made to correct a manifest error or is not materially prejudicial to the interests of the Holders. Notice of any such amendment shall be published in accordance with Condition 10.

## **14 Role of Joint Lead Managers**

Each of Zürcher Kantonalbank, Credit Suisse AG and Deutsche Bank AG London Branch, acting through Deutsche Bank AG Zurich Branch will act as Joint Lead Manager. Zürcher Kantonalbank has been appointed by the Issuer as the Principal Paying Agent and as the Listing Agent with respect to the Bonds and it will or may also act on behalf of or for the benefit of the Holders as Holders' Representative, but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, none of the Joint Lead Managers is obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

## 15 Severability

If at any time one or more of the provisions of the Terms of the Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

## 16 Definitions

**"Business Day"** means any day (other than Saturday or Sunday) on which banks are open the whole day for business in Zurich

**"Consolidated Net Financing Receivables"** at any date means the consolidated net financing receivables of the Issuer at that date calculated in accordance with US GAAP as applied in the Issuer's consolidated audited annual and interim financial statements.

**"Consolidated Secured Financing"** at any date means the consolidated aggregate principal amount outstanding of asset backed bonds and any secured loans, securitisation or other secured financing arrangement of any sort, in each case to the extent backed or secured by financing receivables, of the Issuer at that date calculated in accordance with US GAAP as applied in the Issuer's consolidated audited annual and interim financial statements.

**"Holders' Representative"** means Zürcher Kantonalbank in its capacity as representative of the Holders.

**"Listing Agent"** means ZKB, appointed as recognised representative pursuant to art. 58a of the listing rules of the SIX Swiss Exchange to file the listing application (including the application for provisional admission to trading) for the Bonds with the SIX Swiss Exchange.

**"Permitted Security"** means any Security (and any Security created in substitution for any such Security) relating to the financing, refinancing or the acquisition of any specified asset or assets, but only to the extent that such security secures obligations arising from the financing, refinancing or acquisition of such specified assets.

**"Principal Paying Agent"** means Zürcher Kantonalbank in its function as principal paying agent. If, at any time during the life of the Bonds, the Principal Paying Agent shall resign or become incapable of acting as Principal Paying Agent or as Holders' Representative as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Principal Paying Agent may be substituted by a duly licensed major Swiss bank or Swiss branch of a major foreign bank chosen by the Issuer. In the event of such a replacement of the Principal Paying Agent, all references to the Principal Paying Agent shall be deemed to refer to such replacement. Notice of such a replacement shall be made in accordance with the provisions of Condition 10.

**"Relevant Debt"** means any present or future Secured Financing and any other indebtedness of the Issuer represented or evidenced by, notes, bonds, debentures, loan stock or other securities which for the time being are or are capable of being, quoted, listed or ordinarily dealt with on any stock exchange, over-the-counter market or other securities market.

**"Secured Financing"** means any present or future issue of asset backed bonds, secured loans, securitisation or other secured financing arrangement of any sort of the Issuer or any Subsidiary, but excluding, for the avoidance of doubt, any secured or asset backed securities issued, but retained by the Issuer and/or any Subsidiary and not held by third party investors.

**"Secured Financing Cap"** means CHF 1,500,000,000.

**"Secured Financing Ratio"** at any date means, the ratio (as a percentage) of (x) Consolidated Secured Financing to (y) Consolidated Net Financing Receivables at that date.

**"Subsidiary"** means, in relation to the Issuer at any particular time, any person: (i) whose affairs and policies the Issuer controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such person or otherwise; or (ii) whose financial statements are, in accordance with applicable law and US GAAP, consolidated with those of the Issuer.

**"SIX SIS"** means SIX SIS Ltd, the Swiss clearing and settlement organisation, Baslerstrasse 100, 4600 Olten, or any successor organisation accepted by the SIX Swiss Exchange.

**"SIX Swiss Exchange"** means SIX Swiss Exchange Ltd, Hardturmstrasse 201, 8005 Zurich or any successor organisation.

**"Zürcher Kantonalbank"** means Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich.

## TAXATION

### Taxation in Switzerland

The following is a general description of certain Swiss tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, whether in Switzerland or elsewhere (and does not consider any other taxes than those of Switzerland) and does not constitute tax advice.

Prospective purchasers of the Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries. This summary is based upon the Swiss tax laws as in effect on the date of this Prospectus and is subject to any change in law or practice that may take effect after such date or with retroactive effect.

### Swiss Federal Withholding Tax

#### Deduction

Each payment of interest on the Bonds (but not repayment of principal) will be subject to deduction of Swiss federal withholding tax (*Verrechnungssteuer*) by the Company, currently at a rate of 35%.

#### Refund

A holder of a Bond who resides in Switzerland and who at the time a taxable payment on the Bond is due is the beneficial owner of the taxable payment and, in the case of a holder who is an individual holding the Bond privately, duly reports the gross taxable payment in his or her tax return, and, in the case of a holder who is a legal entity, or who is an individual, holding the Bond as part of a business situated in Switzerland, for which he or she is required to keep accounting books, includes such payment as earnings in the income statement, is entitled to a full refund of or a full tax credit for the Swiss federal withholding tax, provided that certain other conditions are met.

A holder of a Bond who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and the country of residence of the holder.

### Swiss Federal Stamp Duty

The issue of the Bonds is not subject to Swiss federal issuance stamp tax (*Emissionsabgabe*).

The issue of the Bonds to their initial holders will not be subject to Swiss federal stamp duty on the dealing in securities (*Umsatzabgabe*) (primary market). Secondary market dealings in the Bonds where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss Federal Stamp Duty Act) is a party to, or acts as an intermediary in connection with, the transaction may be subject to Swiss federal stamp duty on the dealing in securities at a rate of up to 0.15% of the consideration paid for the Bonds.

## **Income Taxation on Principal or Interest**

### **Classification**

From a Swiss tax law perspective, the Bond qualifies as a bond with principally periodical interest (Obligation ohne überwiegende Einmalverzinsung, Obligation sans intérêt unique prédominant; non-IUP).

### **Bonds held by non-Swiss Holders**

A holder of a Bond who is not resident in Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland will, in respect of payments of interest on, and repayment of principal of, the Bonds, and gain realised on the sale or redemption of Bonds, not be subject to income tax in Switzerland. See "Swiss Federal Withholding Tax" above for a summary on the deduction of Swiss federal withholding tax on payments of interest and redemption premium on the Bonds.

### **Bonds held by Swiss resident Holders as private assets**

An individual who resides in Switzerland and holds the Bonds as private assets is required to include all payments of interest received on such Bonds in his or her personal income tax return for the relevant tax period and will be taxed on the net taxable income (including the payments of interest on the Bond) for such tax period at the then prevailing tax rates.

Swiss resident individuals who sell or otherwise dispose of privately held Bonds realise either a tax-free private capital gain or a non-tax-deductible capital loss. See "Bonds held as Swiss business assets" below for a summary on the tax treatment of individuals classified as "professional securities dealers".

### **Bonds held as Swiss business assets**

Swiss resident corporate taxpayers, corporate taxpayers residing abroad holding Bonds as part of a permanent establishment or fixed place of business situated in Switzerland, and individuals who hold Bonds as part of a business situated in Switzerland are required to recognise payments of interest on, and any capital gain or loss realised on the sale, redemption or other disposal of, such Bonds in their income statement for the relevant tax period and will be taxed on any net taxable earnings for such tax period at the then prevailing tax rates. The same taxation treatment also applies to Swiss resident individuals who, for Swiss income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings or leveraged transactions in securities.

## **Automatic Exchange of Information in Tax Matters**

Switzerland has concluded a multilateral agreement with the EU on the international automatic exchange of information ("AEOI") in tax matters (the "AEOI Agreement"), which applies to all 28 member states and some other jurisdictions. Further, Switzerland signed the multilateral competent authority agreement on the automatic exchange of financial account information ("MCAA"), and based on the MCAA, a number of bilateral AEOI agreements with other countries. Based on the AEOI agreement and the bilateral AEOI agreements and the implementing laws of Switzerland, Switzerland began to collect data in respect of financial assets, including, as the case may be, Bonds, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of residents in a treaty state from 2017, and began to exchange it from 2018. Switzerland has signed and intends to sign further AEOI agreements with further countries. An up-to-date list of the AEOI agreements of Switzerland in effect or signed and becoming effective and the dates of information exchange can be found on the website of the State Secretariat for International Financial Matters.

## INDEX TO FINANCIAL INFORMATION

The following financial statements are incorporated by reference into this Prospectus (the "**Financial Statements**"):

- (i) Audited Consolidated Financial Statements of the Group for the financial year ended 31 December 2018 including (i) comparative figures for the financial year ended 31 December 2017 and the auditors' report for the financial year ended 31 December 2018 as well as (ii) Audited Statutory Financial Statements of the Issuer together with the report of the statutory auditor for the financial year ended 31 December 2018, including comparative figures for the financial year ended 31 December 2017.
- (ii) The Unaudited Interim Condensed Consolidated Financial Statements of the Group for the six months ended 30 June 2019.

The Financial Statements may be downloaded free of charge from the Issuer's website ([www.cembra.ch](http://www.cembra.ch), section "Investor Relations", subsection "Reports and presentations", subsection "Financial reports"). Any other content of the Issuer's website is not incorporated by reference into this Prospectus, and investors should not rely on it in making their decision to invest in Bonds.

**ANNEX A – PRESS RELEASE FROM 2 SEPTEMBER 2019**

## Acquisition of cashgate AG completed

Zurich – Cembra Money Bank AG and Aduno Holding AG have agreed to complete the transaction relating to the acquisition of 100% of the shares of cashgate AG on 2 September 2019. The transaction announced on 1 July 2019 will close as planned, after fulfilment of the pre-requisites to closing, including relevant regulatory approvals.

CEO Robert Oudmayer said: “We are happy to welcome on board cashgate’s highly experienced team and look forward to bringing together our expertise for the benefit of our clients.”

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### Contacts

Media: Rahel Lehmann; +41 44 439 85 63; [media@cembra.ch](mailto:media@cembra.ch)  
Investor Relations: Marcus Händel; +41 44 439 85 72; [investor.relations@cembra.ch](mailto:investor.relations@cembra.ch)

### Key dates

21 February 2020 Publication of full-year results 2019  
18 March 2020 Publication of Annual Report 2019  
16 April 2020 Annual General Meeting 2020

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### About Cembra Money Bank AG

Cembra Money Bank AG is a leading Swiss provider of consumer finance products and services. Its product range includes personal loans, auto leases and loans, credit cards and insurance sold with those products as well as invoice financing, deposit and savings products.

Headquartered in Zurich-Altstetten, the Bank has operations across Switzerland via a network of 16 branches as well as alternative sales channels such as the Internet, credit card partners, independent agents and 4,000 car dealers.

Cembra Money Bank AG is an independent Swiss bank and has been listed on the SIX Swiss Exchange since 2013. It has over 880 employees from 37 nations and 911,000 customers. 2019 Cembra announced the acquisition of the consumer finance provider cashgate.

### About cashgate AG

cashgate AG specialises in personal credit and vehicle leasing, and also offers rental deposits. It is among the four largest Swiss consumer credit institutions and has around 160 employees at its locations in Zurich, St. Gallen and Lausanne, as well as at branches in Langenthal, Winterthur, Neuchatel and Geneva.

cashgate AG has some 90,000 customers (personal credit, leasing and rental deposit customers) and maintains a tight distribution network through collaborations with partner banks, garage partners, credit brokers and property management companies.