

# **Cembra Money Bank AG**

## **Medium-term notes product information**

A Cembra Money Bank AG Medium-term note is ideal for clients who are looking for an attractive investment in Swiss francs with a guaranteed interest rate and who do not need immediate access to the funds during the fixed investment term.

### **A summary of the most important points**

- Attractive fixed-income investment in Swiss francs with a guaranteed interest rate during the fixed term
- Swiss debtor (Cembra Money Bank AG) rated A- by S&P
- Fixed terms ranging from 2 to 10 years
- Denomination: starting at CHF 20'000.-; additional investments can be made in increments of CHF 1'000.- up to a maximum of CHF 1'000'000.- per transaction
- No trading during the term
- Purchase can be transacted through custodian bank (no requirement to maintain a custody account with Cembra Money Bank)

### **Contacts**

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## Facts

### 1. Market environment

The money and capital markets are in a volatile environment. After inflation figures rose worldwide, the national banks (Switzerland, Europe and the USA) paused interest rates in autumn 2023 and left them at their current level. Currently, the monetary authorities are facing the risk of a weakening economy, among other things, and there is already talk of interest rate cuts again. Cembra Money Bank AG takes the current interest rate situation and the existing volatility in deposit rates into account and offers an interesting investment alternative with its medium-term notes.

### 2. Current terms as of February 1<sup>st</sup>, 2024\*

Term	Intrest rate p.a.	ISIN
2 years	2.00 %	CH 000 986 793 5
3 years	1.95 %	CH 132 391 064 1
4 years	1.95 %	CH 132 391 064 1
5 years	1.95 %	CH 132 391 064 1
6 years	2.00 %	CH 000 986 793 5
7 years	2.00 %	CH 000 986 793 5
8 years	2.05 %	CH 130 594 532 6
9 years	2.05 %	CH 130 594 532 6
10 years	2.10 %	CH 127 724 107 6

\* Interest rates may be modified at any time. The interest rate for a product is determined by the daily rate in effect on the day of execution or payment under subscription.

### 3. About Cembra Money Bank AG

Cembra is one of the leading Swiss providers of financial products and services. Its product range includes consumer loans, auto leases and loans, credit cards, buy now pay later and insurance, as well as deposit and savings products. Headquartered in Zurich-Altstetten, the Bank has operations across Switzerland via a network of 9 branches, as well as alternative sales and procurement channels such as the Internet, credit card partners, independent representatives and more than 3'800 car dealers. Cembra is an independent Swiss bank and has been listed on Switzerland's stock exchange since October 2013. It has around 1'000 employees from 42 nations and about one million customers. Cembra has an A- rating from Standard & Poor's (S&P).

### Key figures as of June 30th, 2023 (Half-year results)\*

- Net income: CHF 75.1 millions; Total assets: CHF 7.736 billions
- Equity: CHF 1.179 billions
- Write-downs: 0.70%
- Net interest margin: 5.10%
- Market share of personal loans: 39%; of leasing: 21%; of credit cards: 12%; BNPL: 30-40%

\* Source: Half-year 2023 results – Cembra Money Bank  
available at: <https://www.cembra.ch/en/investor/investor-relation/>

## **Product description**

A Cembra Money Bank AG retail deposit is a financial instrument issued in Swiss francs that generates annual interest income during a fixed term. The amount of interest depends on the chosen term, which can range from two to ten years.

The interest payments must be made regardless of the company's net profit. The income generated is subject to withholding tax. A retail deposit is not a share right; it is purely a debt instrument.

The invested amount is repaid in full at the end of the term; it cannot be accessed beforehand. For that reason, potential clients must have a minimum investment horizon in line with the selected term.

Retail deposits are not traded on the stock exchange and so cannot be sold prematurely – but that also means their price does not fluctuate. Cembra Money Bank can authorise third parties to sell retail deposits.

## **Minimum investment and denomination**

The minimum amount is CHF 20'000.– per transaction.

Additional investments can be made in increments of CHF 1'000.– up to a maximum amount of CHF 1'000'000.– per transaction

## **Risks**

Cembra Money Bank AG retail deposits are generally subject to country, issuer and liquidity risk. If the issuer – Cembra Money Bank AG – were to declare bankruptcy, depositors might face a partial or total loss. Cembra Money Bank AG retail deposits are protected by the Swiss deposit insurance system for up to CHF 100'000.– per customer relationship. However, the Swiss deposit insurance system does not cover retail deposits purchased or held by custodian banks.

- **Country risk**

A financial instrument's value and the ability to access the instrument depend on various political, legal and economic factors. These factors are determined by the prevailing conditions in the country in which the financial instrument is issued, held in custody or placed on the market. Country risks depend on the political and economic stability of relevant countries. Conditions can change over time and are sometimes unpredictable. There is little country risk in investing in Cembra Money Bank AG retail deposits since they are exclusively issued in Switzerland (in CHF).

- **Issuer risk**

With most investments, there is a risk that the issuer of the financial instrument will become insolvent. This risk is called issuer risk. A financial instrument's value depends not only on its specific product features but also on the issuer's creditworthiness, which may change at any time during the term of the instrument. That is why it is important to know who issues the

respective financial instrument and who has to meet the obligations. These aspects are essential for correctly assessing an issuer's creditworthiness and the corresponding issuer risk. In the case of retail deposits, this risk is called credit risk since they are usually issued by the debtor or borrower.

- Liquidity risk

Liquidity risk refers to the risk that investors may not always be able to sell their investment at a reasonable price. Retail deposits may be exposed to liquidity risks if they are only held and barely traded after being issued.

- Interest rate risk

Cembra Money Bank AG retail deposits are not exposed to interest rate risk since the interest rate is fixed at the time of subscription and applies for the entire selected term.

The above comments on risks associated with financial instruments are not exhaustive but focus on the risks associated with Cembra Money Bank AG retail deposits.

More information on the general risks associated with trading in financial instruments is available in the guideline entitled "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association (SBA) at

<https://www.swissbanking.org/en/services/library/guidelines>.

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