

EDITORIAL

Dear shareholders,

The Aduno Group can once again look back on a pleasing first half of the year. Positive consumer sentiment, low interest rates and a euro exchange rate that remains low despite the recent rise made for continued good operating conditions in the first six months of 2018. The Aduno Group made good use of these conditions and significantly increased both the number of cards issued and its transaction volumes. Livelier customer activity was reflected in a 6.9 per cent rise in turnover compared to the first half of last year to reach CHF 236.9 million. Net operating income, at CHF 59.7 million, and net profit, at CHF 49.4 million, also exceeded the prior-year figures.

In addition to a good set of numbers, the Aduno Group can also point to good progress in its strategic projects: first and foremost, the launch of the Debit Mastercard® and Mastercard® Flex in conjunction with our partners Freiburger Kantonalbank and Neuenburger Kantonalbank. These unique payment cards are two in one – they combine the familiar advantages of traditional debit cards with the modern functions of a credit card, such as online shopping, global acceptance at 43 million points of sale, security and full visibility of expenditure, including in real time using a mobile app. We are proud to be the first issuer in Switzerland to offer this new generation of debit card.

The digital transformation of our business continued to keep us hard at work in the period under review. We launched new digital services in connection with our credit, debit and prepaid cards. For instance, at the end of March the mobile payment solutions Fitbit Pay and Garmin Pay were introduced. Customers of all partner banks can use these smartwatches at all contactless payment terminals to make secure and swift payments around the world. In April, the mobile payment solution for Android smartphones, developed by the Aduno Group in collaboration with the joint venture SwissWallet, was launched at some initial partner banks. This means that customers with an Android smartphone can likewise make secure and convenient contactless payments around the world. The solution is based on NFC and tokenisation technology, supports biometric authentication by means of fingerprints and works via our popular VisecaOne app. The latter has been expanded further. As one of a number of planned self-service functions, customers can order a new PIN code using the app. This process is automated from end to end and is therefore not only customer-friendly and secure but also cost-efficient. The success story of the VisecaOne app continues unabated: 60 per cent of our customers actively use the app, many of them doing so daily. This level of penetration is outstanding for the financial sector. Using the app, customers can approve e-commerce payments simply and securely on a smartphone, check card transactions in real time and receive a push notification for each transaction.



Conrad Auerbach

Another success story is the software for finance management made available by our subsidiary Contovista. Already 20 shareholder banks of the Aduno Group are using the solution in order to offer their customers additional services in e-banking and thereby ultimately provide them with a more attractive customer experience. In this way, the Aduno Group is able to give effective support to its shareholder banks in the digitisation of their business. In order to enable our partner banks to integrate our products and services into their own banking applications even more easily in the future, in June the Aduno Group introduced an IT platform with open programming interfaces (Application Programming Interface, API). The API platform is already being used by a number of banks to obtain card services from Viseca and to integrate them into their own digital channels such as mobile and online banking.

Internally, further steps were taken in implementing the project “the smart way to work”, which will offer our employees solutions for working methods of the future. Along with new forms of collaboration and a modern technical infrastructure, the focus in the first six months of 2018 was on creating optimal spaces, such as for the call centre in Zurich, and on extending options for collaboration both internally and externally.

The first half of 2018 brought a change in the top management of the Aduno Group. After seven years as CEO of the Aduno Group, Martin Huldi decided to take up a new role outside the company. As a result, I assumed the CEO position on an interim basis until a successor takes over. This successor has been appointed by the Board of Directors in the person of Max Schönholzer. Max Schönholzer has many years of management experience in the financial sector and, among other things, worked for Zurich Financial Services for 15 years, most recently as Chief Claims Officer at Zurich Switzerland with around 900 staff. Between 2017 and 2018 he was CEO of the health insurer Sanitas. He will take up office on 1 September 2018.

The Aduno Group looks towards the second half of 2018 with confidence. It is likely that consumer sentiment will remain positive, interest rates low and exchange rates stable. Thus the conditions are right for another very good year in 2018. The Aduno Group will continue on its growth path, develop the business in conjunction with our partners and drive forward our strategic projects. Among other things, the plan in the second half is to launch the Debit Mastercard products at additional banks and to add further self-service functions to VisecaOne such as card blocking.

Our employees have once again put in a great deal of work for the Aduno Group. I would like to thank them for this on behalf of the Management. My thanks also go to our customers for the trust they have placed in us.



Conrad Auerbach
Chief Financial Officer
Chief Executive Officer a.i.