

GE Money Bank Annual Report 2012

Money is an important topic in our lives: for society and for each and every human being. Money is an important topic in our lives: for society and for each and every human being. Money is an important topic in our lives: for society and for each and every human being.



GE imagination at work

Key figures

	31.12.2012	31.12.2011	Change
	TCHF	TCHF	in Percent
Income statement			
Result from interest operations	323'637	346'826	-6.7%
Result from commission business and services	29'171	28'721	1.6%
Result from other ordinary activities	895	318	181.4%
Operating income	353'703	375'865	-5.9%
Operating expenses	-156'692	-164'898	-5.0%
Gross profit	197'011	210'967	-6.6%
Depreciation and amortisation of fixed assets	-3'123	-7'153	-56.3%
Value adjustments, provisions and losses	-22'334	-29'118	-23.3%
Extraordinary income	4	-59	-106.8%
Taxes	-37'530	-38'638	-2.9%
Consolidated profit of the year	134'028	135'999	-1.4%
Balance sheet			
Total assets	4'434'835	4'408'071	0.6%
Liquid assets	362'823	371'047	-2.2%
Amounts due from customers	3'968'394	3'955'118	0.3%
Amounts due to customers in savings or deposit accounts	463'410	460'887	0.5%
Cash bonds	533'961	577'693	-7.6%
Equity (before appropriation of profit)	964'231	828'232	16.4%
Equity			
Eligible capital	1'446'360	1'242'362	16.4%
- thereof core capital	964'231	828'232	16.4%
Eigenmittelüberschuss	1'156'944	952'933	21.4%
Eigenkapitalquote	40.0%	34.33%	16.5%
Ressources			
Number of employees (full-time equivalents)	710	699	1.6%
Number of branches	25	25	0.0%

Breakdown income

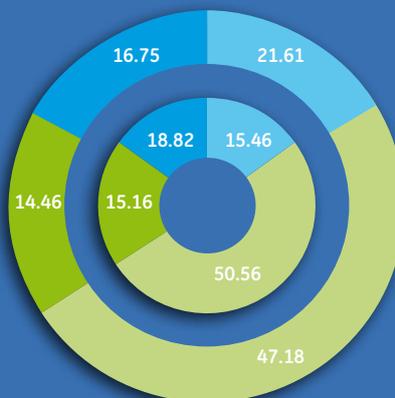
(in percent)



- Result from interest operations
- Result from commission business and services

Funding sources

(in percent)



- Amounts due from banks
- GE internal financing
- Cash bonds
- Other amounts

Breakdown operating expenses

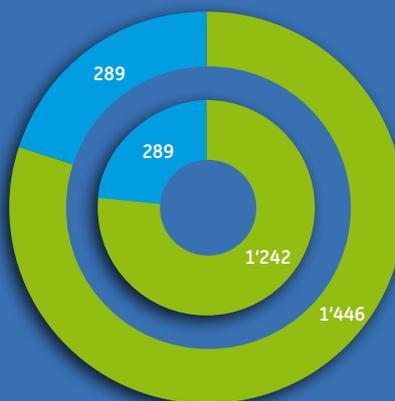
(in percent)



- Personnel expenses
- General and administrative expenses

Equity

(in billion CHF)



- Required capital
- Eligible capital

Focus.

FOCUS

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Robert Oudmayer, CEO GE Money Bank, married, three children.

Money is playing an important role in our lives – for the society and for each and every human being. **The individual financial needs of our customers are in the centre of our daily activities; here we concentrate on our core areas of expertise.**

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With this in mind, we are aware of our responsibility to all groups involved in our business. Our plans to optimise and simplify our processes in the interests of our customers, business partners and employees will enable us to identify further opportunities for growth for the good of our business and to the benefit of the community.

A handwritten signature in black ink, consisting of a stylized 'R' followed by a horizontal line.

Robert Oudmayer
CEO GE Money Bank AG



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Our customers, business partners and employees are in the centre of our daily activities. With our international know-how we focus on our core areas of expertise and achieve our targets by simplifying processes. Our aim is to benefit all interest groups: **for the good of Switzerland.**

Board of Directors:

Peter K pfer, President of the Board of Directors, Zollikon
Brendan Gilligan, Vice-President of the Board of Directors, Dublin
Christopher M. Chambers, Member of the Board of Directors,
London

Internal Audit:

Bert Mitsch, Head of Internal Audit

Auditors:

KPMG AG, Zurich

Registered office:

GE Money Bank AG
B ndliweg 20
8048 Zurich
Telephone +41 44 439 81 11
gemoneybank.ch
#GEMoneyBankCH

Branches:

Aarau, Baden, Basel,
Bellinzona, Bern, Biel, Chur, Frauenfeld,
Fribourg, Geneva, La Chaux-de-Fonds,
Lausanne, Lugano, Lucerne, Montreux,
Neuch tel, Olten, Sion, Solothurn,
St. Gallen, Wetzikon, Winterthur, Yverdon,
Zurich, Zurich-Oerlikon

Other service locations:

Bussigny, Camorino



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Management from left to right:

Dale Cochran, Chief Risk Officer

Régis Lehmann, Head of Online Business and Insurance

Heinz Hofer, Head of Branches

Peter Schnellmann, Head of Funding & Institutional Banking

June Hirst, Head of Human Resources

Bert Mitsch, Head of Internal Audit

Dr. Emanuel C. Hofacker, Chief Compliance Officer

Antoine Boubliil, Chief Financial Officer

Robert Oudmayer, Chief Executive Officer

Dr Alain P. Röthlisberger, General Counsel

Brigitte Kaps, Head of Corporate Communication

Roland Brändli, Head of Motor Solutions

Dr Roland Lüthi-Oetterli, Chief Information Officer

Michael Marek, Head of Operations

Daniel Frei, Head of Cards



CUSTOMERS



PARTNERS



EMPLOYEES



«Honda Automobiles (Suisse) SA is enjoying a close business relationship with GE Money Bank since over 10 years. The bank's forward-looking focus is tailored to the needs of both, our Honda dealers and our customers. With products and services that are tailored to the needs of our mobile society and that blend seamlessly with our environment we are creating new values. GE Money Bank successfully offers us support as our financing company.»

Hiroshi Nomura
President Honda (Suisse) SA, Satigny-Geneva



The success of our business partners is our prime concern. **We focus on the individual financing needs of their customers.**

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For many years, our local Sales Area Managers have been supporting over 5,000 Swiss garage owners and used car, motorbike and caravan dealers with products for vehicle lease financing, tailored to their needs. Together with our partners, as well with their customers in mind, we always stay focused on all our customer groups in a spirit of mutual trust.



CUSTOMERS



EMPLOYEES

We are one of the leading credit card providers in Switzerland. We focus on the needs of our credit card customers every day.

These include payment flexibility, transparency and credit card security. We are passionately committed to the continued development of our products in the interests of satisfying our customers* and our business partners: TCS, Migros and Conforama.

* cf. Comparis / credit cards 2012





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«In order to develop successful products we need professional partners. That's why we decided on a collaboration with GE Money Bank, launching a card programme that focuses on innovation and that has been very positively received, both, nationally and internationally.*»

(*Publi-News Award 2011 – Services category – Most Innovative International Credit Card)

Roger Schober, Director of Business TCS
Member of Executive Management





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«All our focus is on our customers. We discuss their financial needs and wishes in personal counseling interviews, applying our extensive expertise and enormous commitment on a daily basis. This is a source of pride for me – for more than 30 years.»

Marie-Jesus Salgado
Branch Manager, Geneva



We believe that one of the success factors for our Bank is **the fact, that we offer personal counseling interviews to customers in our branches.**

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The trust built up over many years, as well as the responsible management of individual customer needs are in the centre of our daily business. This applies for both: new and existing customers – every day.



We focus on the financial needs of our investors. **The demand for transparent and easily understandable capital and money market products reflects the desire for financial security.**

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We keep the Swiss Franc investments in Switzerland.
For institutional investors in particular, cash bonds and fixed term deposits represent tailor-made alternatives that always achieve their target: consistent returns.





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«Our investment strategy involves rational diversification. From our perspective, GE Money Bank has some ideal offers in the context of its passive money transactions; in addition, we also appreciate working with the expert staff there.»

Gilbert A. Bühler

Director, Freiburger Nachrichten newspaper



FOCUS



«We aim to provide our customers with the best possible service.
We always focus on proximity to the customer and personal service.
In GE Money Bank we have found a partner who works with us in
achieving these goals.»

Jean-Marc Schnider
Director of Sales, Member of Corporate Management, CSS Versicherung



The financial security of our customers is important to us. **We focus on providing insurance products that meet the needs of our customers.**

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Together with our business partners, we ensure payment security, attractive health coverage and protection against credit card abuse. We offer tailor-made products, which are highly appreciated by our customers. Our aim is to expand our product offerings next year.



We are building a future-oriented organisation, **while focusing on innovation and the simplification of our processes.**

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Because of a continuously increasing demand for greater flexibility, we use our online sales channel to meet the requirements of our existing customers and those of the next generation. At the same time, we can work more efficiently and put our customers even more in the centre of our activities. This is our aim – both, now and in the future.





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«Our collaboration with GE Money Bank is based on professionalism, reliability and trust, as well as friendship and mutual understanding. As Scout24 endeavours journeys into the digital future, it finds itself in a high-tech online world. Despite this fact – or perhaps precisely because of it – we consciously focus on human values in this partnership.»

Olivier Rihs
CEO Scout24 Schweiz AG



As an employer, the well-being of our staff is in our focus. **Our employees contribute with their personal engagement significantly to the success of our Bank.**

Our corporate culture is based on the integrity and strong values, which are put into practise every day. We offer training programs to both, young talent and to our managerial team in order to promote individual career development prospects. GE was again selected by Forbes* as one of «The World's Best Companies for Leadership» in 2012.

A highly diverse working environment, a comprehensive health program and flexible work programs make us an attractive employer in the Swiss market. We are committed to maintaining and enhancing developing this status, as well in the future.

Source: <http://www.forbes.com/sites/susanadams/2012/05/02/the-worlds-best-companies-for-leadership/>



CUSTOMERS



PARTNERS



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«Cooperating with my colleagues in the team enables me to achieve results in my professional life. For me, sharing success on a daily basis is key.»

Brenno Bomio
Sales Area Manager, Motor Solutions

«Our corporate culture is very focused on teamwork. This is important to me because it feels great to meet new challenges together as part of the team.»

Emilija Petrovic
Member of the Late Collections Team

«My working environment is very much shaped by the personal needs of my colleagues; because they are such a highly diverse group of people, I encounter many different perspectives. Working together with so many great people really motivates me.»

Simone Schindler
Senior Manager, HR Compensation & Benefits

«Achieving added value through innovation and partnership – this is my personal focus in my professional life; for our partners, for our customers and for GE Money Bank.»

Sam Peter
Director, Business Development & Key Accounts, Cards



Group

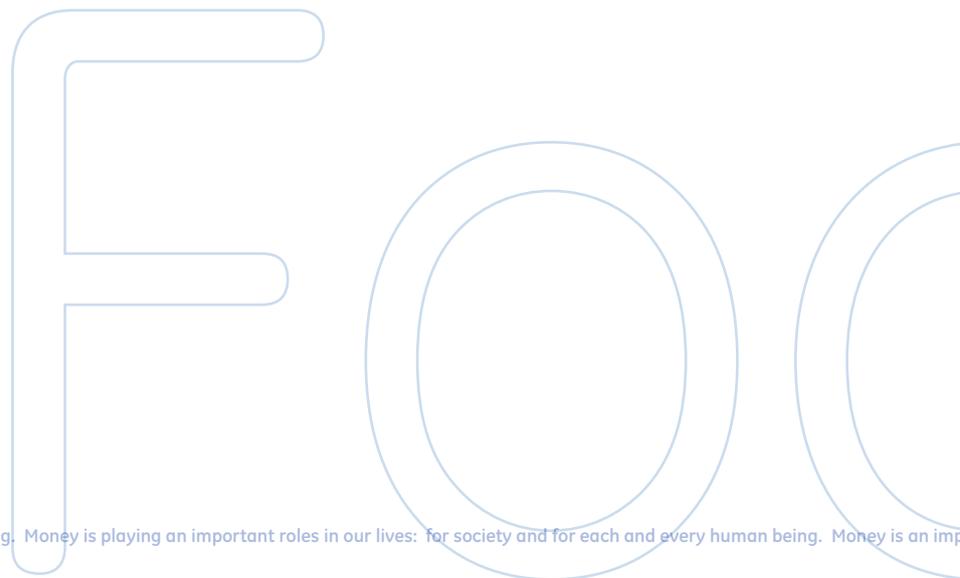
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Events in the year under review.

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Although the deterioration of the global economy cast a shadow over business activity in Switzerland, GE Money Bank AG enjoyed another successful financial year. In line with the Bank's strategy of diversifying its financing sources, the first domestic ABS car bonds to be publicly quoted on the SIX Swiss Exchange were issued in March. This successful transaction was based on securitisation from a high-quality pool of car leases (AAA) rated that were issued to private and commercial customers of GE Money Bank in Switzerland.

Once again, the **card business** has recorded a number of positive developments and successes. The Migros Cumulus MasterCard and the TCS MasterCards achieved the best reviews in the customer satisfaction survey conducted by Comparis¹. The Migros Cumulus MasterCard programme once again experienced very positive development. Improved credit card services and an optimisation/program of the loyalty programme were initiated for the TCS MasterCards, which were launched in 2011; this resulted in an increase in new customers. The Conforama Cosy MasterCard and the GE Money Bank MasterCard programmes also achieved steady growth.

Both the **"Motor Solutions"** Division (in particular car loans) and branch business ("Direct Channel") once again achieved the targeted sales volume in a challenging market environment. By offering leasing and financing interest rates appropriate for the market, "Motor Solutions" managed to achieve a modest increase in the number of loan applications in comparison with last year.

In **"Direct Channel"** business, the long-standing agent sales channel and cross-selling sales channels, the introduction of new residual debt insurance products and innovative sales process optimisations (SMS service, e-mail communication with customers, optimisation of the website, etc.) made a particular contribution to further growth.

In order to continue to generate opportunities for profitable growth, the **"Online Business"** Division was strengthened by combining the online team with the sales team. Strategic cooperation with the Scout24 Group meant that the existing online processes could be tailored even more efficiently to customer needs, which had a positive impact on the number of new customers generated online. The **"Insurance"** Division also achieved a sustained increase in growth, helped both by the newly agreed cooperative arrangement with CSS Insurance and cross-selling activities in the card sector involving the Touring Club of Switzerland. The successful marketing of **"CardProtect"** and the expansion of the existing product portfolios produced corresponding sales successes.

The **"Funding"** (Investment Business) Division strengthened its position within the Swiss money and capital market by attracting

several more institutional investors from industry, banks and the public sector etc. as well as wealthy private investors.

Comment on accounting principles

Subsidiary Swiss Auto Lease 2012-1 GmbH, which was founded in December 2011 for the purposes of a securitisation transaction as mentioned above, began business operations in March 2012. For this reason, a consolidated financial statement is to be drawn up for the 2012 financial year that encompasses the two subsidiaries Swiss Auto Lease 2012-1 GmbH and Prokredit AG.

This annual report contains two annual financial statements: the consolidated financial statement (Group financial statement) and the financial statement for the parent company, GE Money Bank AG, as of 31 December 2012.

Both the consolidated as well as the individual financial statements were prepared in accordance with the legal provisions (Art. 23 to Art. 27 of the Banking Ordinance; BO) and the supplementary guidelines on accounting standards of FINMA (FINMA Circular 08/2 "Accounting – banks").

Information on consolidated equity provisions pursuant to FINMA Circular 08/22 (FINMA-Circ. 08/22 "Capital adequacy disclosure – banks") is disclosed separately in the report "Disclosure of equity provisions" of GE Money Bank AG. This report is published on the GE Money Bank AG website.

GE Money Bank AG and its subsidiaries are part of an American bank subholding company. This subholding company, GE Capital International Financing Corporation (GECIFC), is regulated by the New York State Department of Financial Services (NYDFS) and by the Federal Reserve Bank of New York.

GECIFC is included as a sub-group in the consolidated financial statements of General Electric Company (USA), which publishes its own annual report available to the public.

Comment on the consolidated annual financial statements

Consolidation was based on the following companies: GE Money Bank AG, Swiss Auto Lease 2012-1 GmbH and Prokredit AG.

At the end of 2012, 89.5% (3.97 billion CHF) of the Bank's consolidated assets comprise consumer loans, outstanding sums owed on credit cards, vehicle lease financing and loans granted to companies, compared to 89.7% (3.96 billion CHF) in the previous year.

When refinancing, the Bank makes use of the options offered by its membership of the international General Electric Group, as well as third party financing. In the year under review, the Group issued a loan of 200 million CHF, which is quoted on the SIX Swiss Exchange, as part of a securitisation transaction.

The disclosed consolidated equity of GE Money Bank AG as at year end was 1'098 million CHF compared to 964 million CHF as of 31 December 2011.

Consolidated borrowed capital of 3.36 billion CHF is to a large extent subordinate and originates mainly from General Electric Capital Corporation (USA). GE Money Bank's consolidated liabilities to group companies represent 45.2% of all borrowed capital, or 1.5 billion CHF.

The consolidated profit for the year was 134 million CHF, taking into account value adjustments and losses on amounts due from customers, representing 22.3 million CHF, depreciation and amortisation of fixed assets of 3.1 million CHF and taxes of 37.5 million CHF.

Comment on the individual annual financial statements

The balance sheet total has declined from 4.41 billion CHF to 4.23 billion CHF. This development is primarily due to the decrease in the amounts due from customers position, which has declined by 166.9 million CHF mainly due to the securitisation transaction launched in March 2012.

The disclosed equity of GE Money Bank AG amounted to 22.9% of the balance sheet total at the end of the year (969.8 million CHF), compared to 835.9 million CHF in the previous year.

Appropriation of profit

Although the profit of 133.9 million CHF generated by the Bank in the 2012 financial year is lower than in the previous year (135.9 million CHF), this figure was achieved in just 12 months, compared with 13 months in the previous balance sheet period.

The Board of Directors proposes to the General Meeting of Shareholders that the distribution of a dividend be waived and instead 134 million CHF be allocated to other reserves and 0.8 million CHF carried forward to the new financial statements. On behalf of the Board of Directors and Management, we would like to thank our customers and business partners for the trust they have placed in us. We would also like to express our particular gratitude to our entire team of dedicated employees for their commitment and loyalty. This is the key to our success.

On behalf of the Board of Directors



Peter Küpfer

President of the Board of Directors

On behalf of the Management



Robert Oudmayer

Chief Executive Officer

(¹ Source: www.comparis.ch/kreditkarten)

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Facts & Figures.

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Group Balance sheet

		31.12.2012	31.12.2011
		TCHF	TCHF
Assets	<i>Notes</i>		
Liquid assets		362'823	371'047
Amounts due from banks		23'287	19'325
Amounts due from customers	3.1; 3.8	3'968'394	3'955'118
Financial investments	3.2	307	325
Tangible fixed assets	3.3	7'301	8'945
Accrued income and prepaid expenses		50'026	45'018
Other assets	3.5	22'697	8'293
Total assets		4'434'835	4'408'071
Total amounts due from group companies and holders of qualified participations	3.12	2'706	4'745
Liabilities			
Amounts due to banks		461'000	440'500
Amounts due to customers in savings or deposit accounts		463'410	460'887
Other amounts due to customers		1'529'654	1'868'762
Cash bonds		533'961	577'693
Bond issues	3.7	200'000	0
Accrued expenses and defreed income		61'306	59'392
Other liabilities	3.5	77'971	25'653
Value adjustments and provisions	3.8	9'274	10'953
Banks capital	3.10	30'000	30'000
Profit reserves	3.10	934'231	798'232
Consolidated profit for the year	3.10	134'028	135'999
Total liabilities		4'434'835	4'408'071
Total subordinated liabilities	3.12	1'508'148	1'861'368
Total amounts due to group companies and holders of qualified participations	3.12	1'513'811	1'869'564
Off-Balance-Sheet Transactions			
Contingent liabilities	3.1; 4.1	21'351	37'864
Irrevocable commitments	3.1; 4.2	6'292	3'694

Group income statement

		1.1.2012 - 31.12.2012 ¹⁾	1.12.2010 - 31.12.2011 ¹⁾
		TCHF	TCHF
Income and expenses from ordinary banking operations	<i>Notes</i>		
Result from interest operations			
Interest and discount income		393'670	457'515
Interest and dividend income from financial investments		0	0
Interest expense		-70'033	-110'689
Subtotal for interest operations		323'637	346'826
Result from commission business and services			
Commission income from other services		86'599	81'875
Commission expense		-57'428	-53'154
Subtotal for commission business and services		29'171	28'721
Result from other ordinary activities			
Other ordinary income		895	318
Subtotal for other result from ordinary activities		895	318
Operating expenses			
Personnel expenses	5.1	-100'315	-106'311
General and administrative expenses	5.2	-56'377	-58'587
Subtotal for operating expenses		-156'692	-164'898
Gross profit		197'011	210'967
Depreciation and amortisation of fixed assets	3.3	-3'123	-7'153
Value adjustments, provisions and losses	3.8	-22'334	-29'118
Result before extraordinary items and taxes		171'554	174'696
Extraordinary income	5.3	4	0
Extraordinary expenses	5.3	0	-59
Taxes		-37'530	-38'638
Consolidated profit for the year		134'028	135'999

¹⁾ The figures can only be compared to a limited extent as the financial year under review comprised 12 months and the previous year 13 months.

Group cash flow statement

	1.1.2012 - 31.12.2012 ¹⁾		1.12.2010 - 31.12.2011 ¹⁾	
	Source of funds	Use of funds	Source of funds	Use of funds
	TCHF	TCHF	TCHF	TCHF
Cash flow from operating activities (Internal financing)	139'065	6'687	145'195	103'558
Consolidated profit / loss for the year	134'028		135'999	
Depreciation of fixed assets	3'123		7'153	
Value adjustments and provisions		1'679		4'071
Accrued income and prepaid expenses		5'008	2'043	
Accrued expenses and deferred income	1'914			99'487
Cash flow from shareholders' equity transactions	0	0	0	254'887
Restructuring		0		254'887
Cash flow from investment activities	0	1'479	0	3'232
Participating interests	0		0	
Other tangible fixed assets		1'479		3'232
Cash flow from banking operations	616'919	747'818	2'887'290	2'670'808
Medium and long-term business (> 1 year)				
Amounts due to banks		50'000	200'000	
Amounts due to customers in savings and deposit accounts	10'000		10'000	
Other amounts due to customers		348'539		2'626'499
Cash bonds		217'016	351'102	
Bond issues	200'000			
Amounts due from customers		106'420	1'221'761	
Other assets		14'404		1'632
Other liabilities	52'318			33'968
Short-term business (≤ 1 year)				
Amounts due to banks	70'500		103'500	
Amounts due to customers in savings and deposit accounts		7'477	121'417	
Other amounts due to customers	9'431			8'709
Cash bonds	173'284		17'556	
Amounts due from banks		3'962	9'992	
Amounts due from customers	93'144		218'565	
Financial investments	18		162	
Liquidity				
Liquid assets	8'224		633'235	

¹⁾ The figures can only be compared to a limited extent as the financial year under review comprised 12 months and the previous year 13 months.

Notes on the Consolidated Annual Financial Statements.

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1. Explanatory notes on the bank's business activities, number of staff employed and risk management

Business Purpose

The GE Money Bank Group comprises the three legal entities GE Money Bank AG, Swiss Auto Lease 2012-1 GmbH and Prokredit AG. GE Money Bank AG runs the core business of the group whereas Swiss Auto Lease 2012-1 GmbH was incorporated for the purpose of an asset backed securitisation. Prokredit AG is a dormant company.

GE Money Bank AG has its headquarters in Zurich and 25 branches across Switzerland. Its business purpose focuses primarily on granting loans to private customers and small and medium-sized enterprises (SME), vehicle lease financing, granting loans to affiliated companies, receiving funds in the form of deposit accounts and fixed-term deposits and issuing cash bonds. Furthermore, GE Money Bank AG has a MasterCard licence and issues various credit cards, including the Cumulus MasterCard.

Number of staff employed

The number of employees adjusted to account for part-time staff represents 710 as at year end (previous year: 699).

Balance sheet

As interest operations constitute the most important source of income for the Bank, consumer loans, vehicle lease financing and credit cards are of primary importance. Consumer loans and credit cards are granted on an unsecured basis, whereas finance leases are covered by assets. Furthermore, the Bank provides additional Payment Protection Insurance which covers the customer's monthly loan repayment in the event of unemployment, accident or sickness, as well as further insurance products. Funding requirements are covered by the Bank's parent company, third-party banks, the capital market and through money received from customers.

Other business areas

GE Money Bank AG mainly operates in the field of rented real estate properties. The Bank has two fully consolidated participating interests.

Risikmanagement

Credit, interest, settlement and market risk policies – the appropriateness of which is assessed annually by the Board of Directors – form the basis for the Bank's risk management. Clear limits are specified for individual risks and compliance with these guidelines is monitored permanently.

The Board of Directors is informed regularly about net assets, the financial position, liquidity and results as well as the risks associated with these by means of a structured early information system.

Due to the strategic specialisation of the Bank in the field of consumer loans, credit cards and leases, the Bank is mainly susceptible to default, interest and settlement risks. These risks are monitored using suitable measures and managed actively. Moreover, the Bank's exposure to risk is reduced by setting appropriate limits. The most important aspects in the management of individual risk categories are described below.

Credit risks

The credit policy includes all commitments from which a loss may arise if the other party fails to honour its contractual obligations. This applies mainly to bank clients; however, car dealers may also be affected.

The clientele of the Bank primarily comprises natural persons and SMEs. Loans are predominantly granted to finance private consumer goods. The large number of borrowers naturally results in a broad risk diversification.

Credit risks are minimised by taking them into account when granting loans. In addition, these are monitored using risk control systems throughout the term.

Prior to granting loans, the consumer's creditworthiness and capacity to enter into a credit agreement are assessed. The creditworthiness of the consumer is evaluated according to the legal regulations of the Federal Law on Consumer Credit. The amount of credit is determined in compliance with internal models for calculating the risk profile of potential contracting parties.

Periodic assessments of the quality of the portfolio are undertaken throughout the entire term. As a result, respective value adjustments may sometimes be required.

General value adjustments are calculated per type of loan and/or lease. In addition, statistic models are used to determine the future development of the portfolio by means of past data.

Calculations of value adjustments are based on the net default risks expected for the next twelve months, i.e. taking into account any recoveries of agreements written off in the accounts.

To ensure ongoing supervision of the vehicle lease financing business, the sales department examines the monthly sales volume, depreciation and further indicators necessary for supervision for each dealer. Furthermore, the risk department analyses all dealers with a potential risk on a monthly basis. This mainly concerns dealers with substantial obligations resulting from demo leasing, stock financing or residual values. In addition, further examinations are carried out on an ad hoc basis by the Bank's risk department.

As a general rule, the Bank does not demand securities for granting loans.

The legally required capital adequacy for credit risk is determined according to the Swiss standard.

The Bank does not use external ratings.

Market risks

Market risks refer to the danger of losing own positions as a result of changes in market prices, e.g. relating to shares, interest, exchange rates or raw materials.

Interest rate risks and balance sheet structure

The Bank is exclusively engaged in balance sheet transactions. Interest rate risks arise either from decreasing interest receivable and/or rising interest payable.

The management of assets and liabilities in regard to the monitoring of associated interest rate risks is defined as Asset & Liability Management (ALM).

The Board of Directors is responsible for ensuring an adequate interest rate risks policy that complies with the Bank's overall business policy and strategy, and delegates the organisation and implementation of an effective ALM to the Bank's Management. The Asset & Liability Committee (ALCO) is in charge of operationally supervising and monitoring interest rate risks as well as actively monitoring the balance sheet structure, and reports to the responsible bodies of the Bank on a regular basis. When faced with various possible changes in interest rates, the internal ALM aims to keep the interest rate risks of the Bank within the parameters defined by the Bank itself. This goal is pursued by means of a limit system.

There are two approaches used for analysing interest-rate risks, the earnings perspective ("income effect") and the net present value perspective ("asset effect"). As a result of the strategic focus of the Bank (assets are predominantly financed by means of fixed interest rates) and its financing structure, interest rate risks are of secondary

importance. Therefore, the Bank currently dispenses with a dynamic analysis of the effects of changes in market interest rates on the balance sheet structure.

Furthermore, the effects on the Bank caused by extraordinary changes in the interest rate level are measured by means of regular stress tests which are calculating the income and asset effect. There is no requirement to hold capital for such risks arising from a non-trading book.

Foreign currency risks

As a result, foreign exchange positions arise only to a very small extent.

The market risks standard approach is applied to calculate the necessary equity.

Liquidity risks

Solvency is monitored and ensured in accordance with banking regulations. The Bank's Management continuously supervises both the minimum reserves (previously referred to as cash liquidity) and the total liquidity, and gives a regular account to ALCO and the Board of Directors of the Bank.

Other market risks

The Bank is not engaged in active trading and its financial investments do not contain share price risks.

The de minimis approach is applied to calculate the necessary equity.

Operational risks

Operational risks are defined as any losses caused by inadequacies or errors that occur during processes involving people or IT systems, or by external factors.

By establishing a proactive risk management culture and applying appropriate qualitative and quantitative tools, potential undesired risk commitments should be minimised.

In order to identify and monitor any operational risks, the Bank uses various instruments and methods, such as a loss database, risk indicators and an annual operational risk assessment. The loss database records not only the financial events, but also their causes. Additionally, improvement concepts and risk reduction measures for the Bank's process and quality management, information security, internal controls and emergency organisation are also developed and implemented. After identifying the risks for all business areas within the annual operational risk assessment, their frequency and severity are analysed, evaluated and documented. Based on this risk assessment, possible measures to remove or minimise risks are introduced by the Management. Furthermore, loss reporting criteria and risk indicators are defined. Thus, by supplying the most important information, the supervision process

ensures that any operational risks are managed and controlled smoothly.

The overall system implemented is based on recognised standards and FINMA Circular 08/24, "Supervision and internal control within the banking sector" dated 20 November 2008.

Each business function, whether in front offices, controlling or logistics, is responsible for identifying and managing any operational risks. All business functions are supported by the Management and a Committee within the Bank established for this purpose. These bodies ensure that a disciplined risk culture is promoted, and thus risk transparency is enhanced. This enables the specified directives for day-to-day business to be followed on a permanent basis. Regular training courses on operational risks enhance the staff's general awareness of these issues. Additionally, the Bank uses neutral process controls which work independently from the front office departments thus ensuring the integrity of the risk and control process.

The standard approach with the factor for private customer business is used to calculate the equity used to cover risk. The income indicators of the last 3 years consist of the sum of the following income statement positions:

- Result from interest operations
- Result from commission and services
- Result from real estate properties

Legal risks

The Bank has implemented the necessary measures to minimise legal and contractual risks. Internal and external specialists are responsible for drafting contracts and seeking any necessary clarification.

Compliance risks

The internal Compliance department ensures that banking processes comply with applicable legal and regulatory provisions as well as the duties of care. Both the Compliance and the Legal Departments are responsible for supervising any requirements and developments on the part of supervisory authorities, the legislator or other organisations. In addition, Compliance ensures that internal directives and regulations are adapted to regulatory developments. Managers acquire a profound knowledge of the regulatory requirements through regular training and are thus able to implement these. The internal auditors regularly monitor compliance with regulatory provisions.

Outsourcing

The Bank has outsourced various business areas to either Swiss or foreign enterprises. These comprise administrative processes in the back/mid-office area, e.g. the provision of services within the group and externally, primarily in connection with IT processes.

The provisions of FINMA Circular 08/7, "Outsourcing – banks", are adhered to. Comprehensive outsourcing and/or service level agreements ("SLAs") are concluded with the service providers. As a consequence of such agreements, service providers are obliged to safeguard the protection of sensitive data in respect of banking secrecy and data security, to comply with IT security guidelines and, finally, to grant the Bank's internal and external auditors on-site access to all documents in question.

2. Accounting and valuation principles of the consolidated financial statements

General principles

Accounting and valuation principles are based on the Code of Obligations, the Banking Law, its relevant regulation and the guidelines of FINMA.

The consolidated financial statements reflect a fair presentation with regard to the group's financial position (net assets, financial and earnings situation) in accordance with the guidelines applicable for banks.

Consolidation scope

The consolidated annual financial statement encompasses the end-of-year reports for the parent company and direct subsidiaries in which the Group holds shares of more than 50 per cent of voting capital or which it controls in some other way. All consolidated companies are located in Switzerland. Shareholdings are fully consolidated.

Recording and accounting

All transactions concluded as of the balance sheet date are recorded and valued in accordance with recognised principles. As a general rule, they are recorded as off-balance-sheet transactions until the settlement date when they are recorded in the balance sheet.

Foreign currency conversion

Receivables and payables in foreign currencies are converted at the rate prevailing on the balance sheet date. Foreign currency transactions are posted at the respective daily exchange rate. Foreign currency gains or losses are booked in the position "Other operating expenses".

The following conversion rates are applied for foreign currency conversion:

	2012	previous year
	Rate prevailing on the	Rate prevailing on the
	balance sheet date	balance sheet date
USD	0.9245	0.9150
EUR	1.2086	1.2348
GBP	1.4916	1.4258

Liquid assets, amounts due to customers and banks, issued cash bonds

These are recorded at nominal value or acquisition cost.

Amounts due arising from money-market instruments

Amounts due arising from money-market instruments are posted at acquisition cost less any depreciation. The discount not yet earned is deferred in the respective balance sheet position over the term of the agreement.

Amounts due from banks

Loans and interest thereon due but not yet paid are disclosed at nominal value less any value adjustments.

Amounts due from customers

As a general rule, loans are disclosed at nominal value less value adjustments. Lease financing is recorded at the value of amortised tangible assets plus due and unpaid interest, default interest and fees.

Loans/receivables for which it is unlikely that the debtors will be able to fulfil their future obligations are depreciated or value-adjusted.

As a general rule, non-performing fixed-term loans are depreciated after 120 days and amounts due from revolving products (incl. credit cards) after 180 days. Interest and commissions are non-performing when they are more than 90 days overdue. From then on, they are no longer recorded.

In order to cover the inherent default risks arising from the large number of small receivables present in credit portfolios (e.g. consumer loan, credit card, leasing portfolios) on a specific valuation date, general value adjustments based on empirical values are established. General value adjustments are deducted directly from the respective asset positions.

In the event of receivables being considered not fully or partially collectible or being waived, their derecognition is charged to the respective value adjustments. Recoveries of derecognised receivables are accredited directly to the interest income.

Amounts due from/to group companies and holders of qualified participations

Amounts due from/to group companies and holders of qualified participations are recorded at nominal value. The conditions correspond to those applicable to independent third parties. Holders of qualified participations are deemed natural persons or legal entities that directly or indirectly hold at least 10% of the capital or the voting rights or have a material influence on the operational decisions of the Bank in another manner.

Financial investments

In the case of tangible assets acquired via credit transactions destined for sale, the lowest value is determined as the lower of the acquisition cost or liquidation value. Tangible assets are disclosed under financial investments and proceeds from their sale as well as any value adjustments are regarded as recoveries and collected accordingly.

Tangible fixed assets

Expenditure for new tangible fixed assets is capitalised if it is used for more than one accounting period and exceeds the minimum value for capitalisation. The valuation of tangible fixed assets is recorded at acquisition cost, taking into account depreciation required for operational reasons. Tangible fixed assets are reviewed for impairment as soon as there is reason to assume their accounting value is no longer correct due to events or circumstances.

Depreciation is effected by applying the straight-line method and is based on the guidelines of the General Electric Group. These are as follows:

Buildings	Max. 40 Years
Other tangible fixed assets	Max. 10 Years
Software (incl. self-developed or purchased software)	Max. 5 Years

Pension benefit obligations

For the purpose of providing an occupational pension plan, the Bank established an independent foundation (pension fund for employees of companies and subsidiaries of General Electric in Switzerland) and pays into this the contributions required by regulation. The organisation and management of the pension fund as well as financing of pension benefit obligations comply with the regulations documented in the deed of foundation and the applicable pension regulations. The Bank's accrued income and prepaid expenses, accrued expenses and deferred income and receivables and liabilities relating to these companies are recorded in the balance sheet.

The economic impact of pension benefit obligations on the Bank is assessed annually on the basis of the annual financial statements of the pension funds prepared in accordance with Swiss GAAP FER 26 and other facts related to assessing the financial situation. By applying the statistical method, any over/underfunding calculated in this regard can be treated in accordance with FINMA Circular 2008/2 Accounting for Banks as follows:

- In the case of overfunding, an economic benefit can be accounted for if it is intended to use the surplus for lowering employer contributions. There is no right for refund.
- Underfunding in pension funds with an economic obligation for the Bank is posted to income.

Determining the economic impact is based on the financial situation of each pension fund as of its last annual financial statement, provided the reporting date occurred within the past twelve months. Where there are indications of material developments, their impact is taken into account.

Any employer contribution reserve is capitalised and may be used for the settlement of future contributions.

Accrued income and prepaid expenses

Income and expenses are properly accrued in accordance with the balance sheet date. Credit commissions paid to third parties are capitalised and charged to commission expenses. They are amortised over the respective term of the loan on a declining-balance basis (products with fixed terms) or on a straight-line basis (revolving products). Direct costs arising from the conclusion of contracts are capitalised and depreciated on a declining-balance basis (products with fixed terms) or on a straight-line basis (revolving products). Commissions collected in advance are recognised as a liability and are realised on a straight-line basis as commission income over the term of the loan.

Taxes

Current taxes

As a general rule, current taxes are recurring such as annual income and capital taxes. They are determined on the basis of the result of the current year and recorded as expense. Non-recurring or transaction-based taxes are not a component of current income taxes.

Direct taxes due from current income are recorded as accrued liabilities.

Latent taxes

The tax consequences of timing differences between the values of assets and liabilities shown in the consolidated balance sheet and the corresponding tax values are posted under the reserves as latent taxes. Latent taxes are determined separately in each business period and for each member of the Group. The calculation is performed on the basis of the tax rates estimated during actual assessment. The reserve for latent taxes will be increased on the basis of income.

Contingent liabilities

Contingent liabilities are disclosed at nominal value in the off-balance sheet. Provisions required for foreseeable risks are created in the balance sheet in the position "value adjustments and provisions".

Irrevocable commitments

Irrevocable commitments are disclosed at nominal value in the off-balance sheet. Provisions required for foreseeable risks are

created in the balance sheet in the position "value adjustments and provisions".

Value adjustments and provisions According to the principle of prudence, value adjustments and provisions are established for any discernible risks of loss. Value adjustments and provisions no longer required in any accounting period are released to income. Recoveries of receivables written off in prior periods are credited directly to value adjustments.

Value adjustments for default risks are deducted directly from the relevant asset position. Provisions for other risks are disclosed under this position in the balance sheet.

Events after the balance sheet date

There were no events after the balance sheet date.

Any further significant information, explanations and substantiations

As part of a securitisation transaction, in March 2012 leasing receivables amounting to around 285.7 million CHF were sold to Swiss Auto Lease 2012-1 GmbH, a 100% owned special purpose company. This financed the purchase by means of a subordinated loan from GE Money Bank AG for 92.6 million CHF, on the one hand, and a bond issue for 200 million CHF which is quoted on the SIX Swiss Exchange on the other.

Swiss Auto Lease 2012-1 GmbH does not employ any staff of its own. All services relating to bookkeeping, taxes and risk management are provided by GE Money Bank AG. Furthermore, a third party provides services as part of investor reporting.

Because of the significance of Swiss Auto Lease 2012-1 GmbH with regard to the annual financial statement of GE Money Bank AG, a consolidated financial statement will be produced for the year under review that will also cover Prokredit AG. As this therefore entails a first-time consolidation, the figures for the previous year will be prepared accordingly ("restatement").

Changes in the accounting and valuation principles as compared to the previous year

The risk model used as the basis for calculating the value adjustments was modified in June 2012. In the main, the period for which the model considers the future recovery of amounts previously written off was increased from 48 months to 72 months. This adjustment had a one-off positive effect on the "Value adjustments, reserves and losses" position amounting to 4.8 million CHF.

3. Information on the group balance sheet

3.1 Overview of collateral for loans and off-balance-sheet transactions

		secured	other		
		by mortgage	collateral	unsecured	Total
		TCHF	TCHF	TCHF	TCHF
Loans					
Amounts due from customers		0	6'295	3'962'099	3'968'394
Total loans	31.12.2012	0	6'295	3'962'099	3'968'394
	31.12.2011	0	8'757	3'946'361	3'955'118
Off-balance-sheet					
Contingent liabilities		0	0	21'351	21'351
Irrevocable commitments		0	0	6'292	6'292
Total off-balance-sheet	31.12.2012	0	0	27'643	27'643
	31.12.2011	0	0	41'558	41'558
			Estimated		General
		Gross	liquidation pro-	Net debt	individual value
		debt amount	ceeds of collateral	amount	adjustments ²⁾
Impaired loans/receivables ¹⁾	31.12.2012	16'631	11'801	4'830	50'942
	31.12.2011	20'957	14'738	6'219	55'538

¹⁾ Loans/receivables are considered impaired if contractually agreed payments for capital or interest are more than 90 days overdue.

²⁾ The value of general individual value adjustments refers to the total of all amounts due from customers.

3.2 Analysis of financial investments and participating interests

	Book value		Fair Value	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	TCHF	TCHF	TCHF	TCHF
Financial investments				
Commodities (Assets from leasing transactions)	307	325	307	325
Total financial investments	307	325	307	325
including securities eligible for repo transactions in accordance with liquidity regulations	0	0	0	0

		31.12.2012	31.12.2011
	Business activity	Capital TCHF	Rate
Disclosure of participating interests			
Fully consolidated entities			
Prokredit AG, Zürich - finance company	Inactive	2'000	100%
Swiss Auto Lease 2011 - 1 GmbH	Active	20	100%

3.3 Statement of fixed asset additions and disposals

							Value adjustment in case of equity valua-	Book value 31.12.2012
Cost value	Accumulated depreciation and value adjustments	Book value 31.12.2011	Additions	Disposals	Depreciation	tion/depricia-	tion reversals	Book value 31.12.2012
TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Participating interests								
- according to equity method	0	0	0	0	0	0	0	0
Total participating interests	0	0	0	0	0	0	0	0
Bank buildings	1'158	-528	630	0	0	-30	0	600
Other tangible fixed assets	44'723	-36'408	8'315	3'398	-1'919	-3'093	0	6'701
Total tangible fixed assets	45'881	-36'936	8'945	3'398	-1'919	-3'123	0	7'301

	31.12.2012	31.12.2011
	TCHF	TCHF
Fire insurance value of real estate	929	901
Fire insurance value of other tangible fixed assets	16'705	16'287
Commitments: future leasing instalments arising from operating leasing	2'401	1'675

3.4 Disclosure of pledged or assigned assets to secure own commitments

There were no pledged or assigned assets to secure own commitments as per the balance sheet date.

3.5 Other assets and liabilities

	31.12.2012	31.12.2012	31.12.2011	31.12.2011
	Other	Other	Other	Other
	assets	liabilities	assets	liabilities
	TCHF	TCHF	TCHF	TCHF
Indirect taxes	15'316	17'962	8	3'539
Clearing accounts	1'340	57'793	1'980	21'247
Unredeemed coupons and cash bonds	0	354	0	186
Negative replacement values	0	0	0	0
Amounts due from the sale of insurance products	3'030	0	3'984	0
Other assets and liabilities	3'011	1'862	2'321	681
Total other assets and liabilities	22'697	77'971	8'293	25'653

3.6 Disclosures of pension funds

The employees of GE Money Bank and its subsidiaries are insured by the pension fund for employees of companies and subsidiaries of General Electric in Switzerland («pension fund»).

Apart from temporary staff with an expected duration of employment of less than three months and people receiving an IV pension and whose degree of incapacity to perform day-to-day tasks is 70%, all employees of at least 17 and with an annual base salary exceeding 75% of the applicable maximum single old-age pension are insured. As a general rule, statutory retirement age is 65; however, for early retirement, starting from the age of 58, no special conditions apply. The pension plan insures both mandatory occupational benefits and extra-mandatory benefits.

The financial situation of the pension fund is calculated as follows:

Nominal value ¹⁾	Waiver of use	Balance sheet		Changes as	Result from ECR as a component	
				compared to the previous year	of personnel expenses	
				1.1.2012 - 31.12.2012	1.1.2012 - 31.12.2012	1.12.2010 - 31.12.2011
31.12.2012	31.12.2012	31.12.2012	31.12.2011	31.12.2012	31.12.2012	31.12.2011
TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Employer contribution reserves (ECR)						
Pension plan without						
over-/underfunding	2'915	-2'915	0	0	0	0
Total	2'915	-2'915	0	0	0	0

Over-/ underfunding ¹⁾	Over-/ underfunding	Economic benefit/ obligation		Changes	Contributions	Pension expenses as part of the personnel expenses	
				as compared to the prev- ious year	accrued to the period		
31.12.2012	31.12.2011	31.12.2012	31.12.2011	1.1.2012 - 31.12.2012	1.1.2012 - 31.12.2012	1.1.2012 - 31.12.2012	1.12.2010 - 31.12.2011
(not audited)	audited						
TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Economic benefit/ economic obligation and pension expenses							
Pension plan							
without over-/ underfunding	0	-7'581	-7'730	-8'516	786	5'910	5'910
Total	0	-7'581	-7'730	-8'516	786	5'910	6'178

Pension benefit obligations as of the balance sheet date amount to TCHF 7,730 (Previous year: TCHF 8,516).

¹⁾ The figures for the financial statements as of 31.12.2012 are not available as the financial statements of «Pension fund GE (Switzerland)» have not yet been audited. The preliminary valuation of the pension funds resulted in a coverage ratio of 100 percent.

3.7 Bond issue

3.7.1 Bonds Outstanding 31.12.2012

Issuer	Date of issue	Weighted average		Amount	
		interest rate	Maturities		
		CHF	CHF	CHF	
Swiss Auto Lease 2012 - 1 GmbH	23.3.2012	0.783%	21.3.2015	200'000'000	non-subordinated

3.7.2 Overview of Maturities of Bonds Outstanding 31.12.2012

within

Issuer	one year	> 1 - ≤ 2 years	> 2 - ≤ 3 years	> 3 - ≤ 4 years	> 4 - ≤ 5 years	> 5 years
	CHF	CHF	CHF	CHF	CHF	CHF
Swiss Auto Lease 2012 - 1 GmbH	0	0	200'000'000	0	0	0

3.8 Value Adjustments and provisions

	Use in conformity with designated purpose	Re-designation of purpose (reclassifications)	Recoveries, due interest	New provisions charged to income	Released to income	Balance as of 31.12.2012
	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Balance at end of previous year 31.12.2011						
Value adjustments and provisions for default risks	56'003	-113'860	0	86'480	-149'050	50'942
Provisions for pension benefit obligations ¹⁾	8'516	-786	0	0	0	7'730
Other provisions ²⁾	2'437	-457	0	0	-436	1'544
Total value adjustments and provisions	66'956	-115'103	0	86'480	-149'050	60'216
Less: value adjustments directly offset against assets	-56'003					-50'942
Total value adjustments and provisions as per balance sheet	10'953					9'274

¹⁾ The provision from pension benefit obligations was formed for the purpose of financing a possible shortfall in the pension fund for employees of General Electric in Switzerland. Because the audited figures for the annual financial statement for the pension fund of General Electric in Switzerland are not yet available as of 31 December 2012, the provisions indicated in the audited report at 31 December 2011 are basis for the calculations.

²⁾ The hidden reserve of CHF 125 million indicated in the annual report for the previous year, was dissolved for the consolidated financial statement because of the True and Fair evaluation.

3.9 Banks capital and holders of interests exceeding 5% of all voting rights

		31.12.2012			31.12.2011		
		Capital			Capital		
	Total	No. of shares	eligible	Total	No. of shares	eligible	
	par value	or interests	for dividend	par value	or interests	for dividend	
	TCHF		TCHF	TCHF		TCHF	
Bank's capital							
Share capital	30'000	30'000	30'000	30'000	30'000	30'000	
Total	30'000	30'000	30'000	30'000	30'000	30'000	
Significant shareholders with voting rights							
			Share as %			Share as %	
GE Capital Swiss Funding AG, Zürich	30'000	30'000	100.00%	30'000	30'000	100.00%	

Indirect holders of interests

GE Capital International Financing Corporation, New York, USA
 GE Capital Global Financial Holdings, Inc., Connecticut, USA
 Customized Auto Credit Services, Inc., Delaware, USA
 General Electric Capital Vehicle Investments, Inc., Delaware, USA
 General Electric Capital Corporation, Delaware, USA
 General Electric Company, New York, USA

3.10 Statement of shareholders' equity

	TCHF
Equity at beginning of current year	
Paid up capital	30'000
Profit reserves	798'232
Consolidated profit for the year	135'999
Total equity at beginning of current year (before appropriation of profit)	964'231
Consolidated profit for the current year	134'028
Total equity at end of current year (before appropriation of profit)	1'098'259
of which	
Paid up capital	30'000
Profit reserves	934'231
Consolidated profit for the year	134'028

3.11 Maturity analysis of current assets and third-party liabilities

				Due			
				within	within		
			within	3 to 12	12 months	after	
	At sight	Cancellable	3 months	months	to 5 years	5 years	Total
	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Current assets							
Liquid assets	362'823						362'823
Amounts due from banks	23'287						23'287
Amounts due from customers	17'795	612'942	20'324	175'937	2'657'054	484'342	3'968'394
Financial investments	307						307
Total current assets							
31.12.2012	404'212	612'942	20'324	175'937	2'657'054	484'342	4'354'811
31.12.2011	409'085	637'127	37'217	227'380	2'614'246	420'730	4'345'785
Third-party capital							
Amounts due to banks		53'500	55'000	102'500	250'000		461'000
Amounts due to customers in							
savings and deposit accounts	0	158'360	12'000	273'050	20'000		463'410
Other amounts due to							
customers	17'775	212	256	1'672	1'509'647	92	1'529'654
Cash bonds	0	0	69'906	124'700	329'355	10'000	533'961
Bond issues	0	0	0	0	200'000	0	200'000
Total third-party capital							
31.12.2012	17'775	212'072	137'162	501'922	2'309'002	10'092	3'188'025
31.12.2011	3'532	160'837	146'565	312'259	2'717'908	10'044	3'351'145

3.12 Amounts due to/from related companies as well as loans to members of governing bodies

	31.12.2012	31.12.2011
	TCHF	TCHF
Related companies		
Amounts due from related companies	2'706	4'745
Amounts due to related companies	5'663	8'256

Amounts due to/from related companies are linked to accounts for daily transaction settlements.

	31.12.2012	31.12.2011
	TCHF	TCHF
Loans to members of governing bodies		
Amounts due from members of governing bodies	19	88
Amounts due to members of governing bodies	1'727	1'685

Amounts due to/from members of governing bodies concern personal accounts.

Normal market conditions apply.

Transactions with related parties

As at 31 December 2012, GE Money Bank AG had a loan from GE Capital Swiss Funding AG in the amount of 1.5 billion CHF. This transaction was effected with conditions applicable to third-party transactions.

3.13 Domestic and foreign origin (according to the principle of domicile)

	31.12.2012		31.12.2011	
	Domestic	Foreign	Domestic	Foreign
	TCHF	TCHF	TCHF	TCHF
Assets				
Liquid assets	362'823		371'047	
Amounts due from banks	23'287		19'325	
Amounts due from customers	3'938'791	29'603	3'913'900	41'218
Financial investments	307		325	
Non-consolidated participating interests	0		0	
Tangible fixed assets	7'301		8'945	
Accrued income and prepaid expenses	50'025	1	45'018	
Other assets	22'697	0	7'960	333
Total assets	4'405'231	29'604	4'366'520	41'551
Liabilities				
Amounts due to banks	461'000		440'500	
Amounts due to customers in savings or deposit accounts	461'335	2'075	456'810	4'077
Other amounts due to customers	1'529'591	63	1'868'169	593
Cash bonds	533'961	0	577'443	250
Accrued expenses and deferred income	200'000			
Other liabilities	61'306	0	55'725	3'667
Value adjustments and provisions	77'630	341	25'650	3
General legal reserve	9'274		10'953	
Bank's capital	30'000		30'000	
Profit reserves	934'231		798'232	
Consolidated profit for the year	134'028		135'999	
Total liabilities	4'432'356	2'479	4'399'481	8'590

3.14 Analysis of assets by country / group of countries (according to the principle of domicile)

	31.12.2012		31.12.2011	
	Absolute	Share as	Absolute	Share as
	TCHF	%	TCHF	%
Assets				
Switzerland	4'388'452	98.9%	4'366'520	99.0%
Principality of Liechtenstein	16'780	0.4%	15'910	0.4%
Other foreign countries	29'603	0.7%	25'641	0.6%
Total assets	4'434'835	100.0%	4'408'071	100.0%

3.15 Analysis of assets and liabilities according to currency

	CHF	EUR	USD	GBP	other
	TCHF	TCHF	TCHF	TCHF	TCHF
Assets					
Liquid assets	362'823				
Amounts due from banks	23'287				
Amounts due from customers	3'968'394				
Financial investments	307				
Participating interests (non-consolidated)	0				
Tangible fixed assets	7'301				
Accrued income and prepaid expenses	50'025	1			
Other assets	22'697				
Total assets	4'434'834	1	0	0	0
Passiven					
Amounts due to banks	461'000				
Amounts due to customers in savings and deposit accounts	463'410				
Other amounts due to customers	1'529'653	1			
Cash bonds	533'961				
Bond issue	200'000				
Accrued expenses and deferred income	61'306				
Other liabilities	77'630		341		
Value adjustments and provisions	9'274				
Bank's capital	30'000				
Profit reserves	934'231				
Consolidated profit for the year	134'028				
Total liabilities	4'343'493	1	341	0	0
Net position per currency	341	0	-341	0	0
Previous year (31.12.2011)	3'826	-109	-341	-3'376	0

4. Information on off-balance-sheet transactions

4.1 Contingent liabilities

	31.12.2012	31.12.2011
	TCHF	TCHF
Unpaid leasing transactions as well as credits in accordance with the Federal Law on Consumer Credit, „FLCC>	21'351	37'864
Total contingent liabilities	21'351	37'864

4.2 Irrevocable commitments

	31.12.2012	31.12.2011
	TCHF	TCHF
Payment commitment related to the deposit insurance	6'292	3'694
Total irrevocable commitments	6'292	3'694

5. Information on the group income statement

5.1 Analysis of «personnel expenses»

	1.1.2012 - 31.12.2012	1.12.2010 - 31.12.2011
	TCHF	TCHF
Salaries and benefits	83'864	88'424
Social insurance benefits	12'624	13'023
Value adjustments for economic benefits or obligations arising from pension funds		
Other personnel expenses	3'827	4'864
Total personnel expenses	100'315	106'311

5.2 Analysis of «general and administrative expenses»

	1.1.2012 - 31.12.2012	1.12.2010 - 31.12.2011
	TCHF	TCHF
Office space expenses	6'947	10'066
Expenses for IT, machinery, furniture, motor vehicles and other	6'822	7'010
Other operating expenses (office supplies and consumables, printed matter, telephone, postage and other transport costs, travelling allowances, insurance premiums, advertising expenses, legal and debt collection costs, auditing expenses, various administrative expenses 41'511	42'608	41'511
Total general and administrative expenses	56'377	58'587

5.3 Explanatory notes on extraordinary income as well as value adjustments and provisions no longer required

	1.1.2012 - 31.12.2012	1.12.2010 - 31.12.2011
	TCHF	TCHF
Extraordinary income		
Dissolution of provisions no longer required and not re-designated	0	0
Other income	4	0
Total	4	0
Extraordinary expenses		
Subsequent adjustments of the balance of amounts due from customers	0	0
Other expenses	0	59
Total	0	59

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of GE Money Bank Ltd., Zurich

As statutory auditor, we have audited the accompanying consolidated financial statements of GE Money Bank Ltd., which comprise the balance sheet, income statement, cash flow statement and notes from pages 28 to 52 for the year ended 31 December 2012. The corresponding figures in the consolidated financial statements for the period from 1 December 2010 to 31 December 2011 were not audited.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions governing the preparation of financial statements for Banks and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the provisions governing the preparation of financial statements for Banks and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Michael Schneebeili

Licensed Audit Expert
Auditor in Charge

Michel Simantirakis

Licensed Audit Expert

Zurich, 27 March 2013

Balance sheet

		31.12.2012	31.12.2011
		TCHF	TCHF
Assets	<i>Notes</i>		
Liquid assets		362'823	371'047
Amounts due from banks		1'477	19'295
Amounts due from customers	3.3	3'788'201	3'955'118
Financial investments		307	325
Non-consolidated participating interests		30	30
Tangible fixed assets		7'301	8'945
Accrued income and prepaid expenses		49'029	45'018
Other assets	3.2	22'693	8'290
Total assets		4'231'861	4'408'068
Total subordinated liabilities	3.6	92'557	0
Total amounts due to group companies and holders of qualified participations	3.6	95'356	4'745
Liabilities			
Amounts due to banks		461'000	440'500
Amounts due to customers in savings or deposit accounts		463'410	460'887
Other amounts due to customers		1'531'373	1'872'065
Cash bonds		533'961	577'693
Accrued expenses and deferred income		60'081	59'386
Other liabilities	3.2	77'932	25'653
Value adjustments and provisions	3.3	134'274	135'953
Banks capital	3.4; 3.5	30'000	30'000
General legal reserve	3.5	670'000	670'000
Other reserves	3.5	135'000	0
Profit carried forward	3.5	931	0
Profit for the year	3.5	133'899	135'931
Total liabilities		4'231'861	4'408'068
Total subordinated liabilities	3.6	1'508'148	1'861'308
Total amounts due to group companies and holders of qualified participations	3.6	1'517'151	1'872'867
Off-Balance-Sheet Transactions			
Contingent liabilities		21'351	37'864
Irrevocable commitments		6'292	3'694

Income statement

	1.1.2012 - 31.12.2012 ¹⁾	1.12.2010 - 31.12.2011 ¹⁾
	TCHF	TCHF
Income and expenses from ordinary banking operations		
Result from interest operations		
Interest and discount income	389'140	457'515
Interest and dividend income from financial investments	0	0
Interest expense	-68'581	-110'770
Subtotal for interest operations	320'559	346'745
Result from commission business and services		
Commission income from other services	86'201	81'875
Commission expense	-57'428	-53'154
Subtotal for commission business and services	28'773	28'721
Result from other ordinary activities		
Other ordinary income	2'450	318
Subtotal for other result from ordinary activities	2'450	318
Operating expenses		
Personnel expenses	-100'315	-106'311
General and administrative expenses	-56'204	-58'587
Subtotal for operating expenses	-156'519	-164'898
Gross profit	195'263	210'886
Depreciation and amortisation of fixed assets	-3'123	-7'153
Value adjustments, provisions and losses	-20'765	-29'118
Result before extraordinary items and taxes	171'375	174'615
Extraordinary income	4	0
Extraordinary expenses	0	-59
Taxes	-37'480	-38'625
Profit for the year	133'899	135'931

¹⁾ The figures can only be compared to a limited extent as the financial year under review comprised 12 months and the previous year 13 months.

Appropriation of profit

	31.12.2012 ¹⁾	31.12.2011 ¹⁾
	TCHF	TCHF
Appropriation of profit		
Profit for the year	133'899	135'931
Profit carried forward	931	0
Distributable profit	134'830	135'931
Appropriation of profit as proposed to the ordinary general meeting of shareholders:		
Allocations to other reserves	-134'000	-135'000
Profit carried forward	830	931

¹⁾ The figures can only be compared to a limited extent as the financial year under review comprised 12 months and the previous year 13 months.

Notes on the Individual Annual Financial Statements.

important roles in our lives: for society and for each and every human being. Money is playing an important roles in our lives: for society and for each and every human being. Money is an import

1. Explanatory notes on the bank's business activities, number of staff employed and risk management

Business Purpose

Business activities, staffing levels and risk management at GE Money Bank AG are largely identical to those of the Group, as none of the subsidiaries employs personnel, and the assets and liabilities are largely managed by employees of GE Money Bank AG.

2. Accounting and valuation principles of the individual financial statements

General principles

Accounting and valuation principles are based on the Code of Obligations, the Banking Law, its relevant regulation and the guidelines of FINMA.

In most points these conform to the key accounting principles set down in the Notes on Annual Financial Statements. In addition, the following principles are also applied to the statutory individual financial statement:

Participating interest

These are valued at acquisition cost, taking into account depreciation required for operational reasons.

Otherwise there are no significant divergences between the accounting and valuation principles used by the Group and the parent company.

Events after the balance sheet date

There were no events after the balance sheet date.

Changes in the accounting and valuation principles as compared to the previous year

The risk model used as the basis for calculating the value adjustments was modified in June 2012. In the main, the period for which the model considers the future recovery of amounts previously written off was increased from 48 months to 72 months. This adjustment had a one-off positive effect on the "Value adjustments, reserves and losses" position amounting to 4.8 million CHF.

3. Information on the balance sheet

3.1 Pledged or assigned assets to secure own commitments and of assets subject to reservation of title

As per 31 December 2012, there were no such assets.

3.2 Other assets and liabilities

	31.12.2012	31.12.2012	31.12.2011	31.12.2011
	Other	Other	Other	Other
	assets	liabilities	assets	liabilities
	TCHF	TCHF	TCHF	TCHF
Indirect taxes	15'313	17'924	5	3'539
Clearing accounts	1'340	57'793	1'980	21'247
Unredeemed coupons and cash bonds	0	354	0	186
Negative replacement values	0	0	0	0
Amounts due from the sale of insurance products	3'030	0	3'984	0
Other assets and liabilities	3'010	1'861	2'321	681
Total other assets and liabilities	22'693	77'932	8'290	25'653

3.3 Value adjustments and provisions

	Use in conformity with designated purpose	Re-designation of purpose (reclassi- fications)	Recoveries, past due interest	New provisions charged to income	Releases to income	Balance as of 31.12.2012
	TCHF	TCHF	TCHF	TCHF	TCHF	TCHF
Value adjustments and provisions for default risks	56'003	-112'904	0	86'288	-148'037	50'137
Provisions for pension benefit obligations ¹⁾	8'516	-786	0	0	0	7'730
Other provisions	127'437	-457	0	0	-436	126'544
Total value adjustments and provisions	191'956	-114'147	0	86'288	-148'037	184'411
Less: value adjustments directly offset against assets	-56'003					-50'137
Total value adjustments and provisions as per balance sheet	135'953					134'274

¹⁾ The provision from pension benefit obligations was formed for the purpose of financing a possible shortfall in the pension fund for employees of General Electric in Switzerland. Because the audited figures for the annual financial statement for the pension fund of General Electric in Switzerland are not yet available as of 31 December 2012, the provisions indicated in the audited report at 31 December 2011 are basis for the calculations.

3.4 Banks capital and holders of interests exceeding 5% of all voting rights

		31.12.2012			31.12.2011		
		Capital			Capital		
Total	No. of shares	eligible	Total	No. of shares	eligible		
par value	or interests	for dividend	par value	or interests	for dividend		
TCHF		TCHF	TCHF		TCHF		
Bank's capital							
Share capital	30'000	30'000	30'000	30'000	30'000	30'000	
Total	30'000	30'000	30'000	30'000	30'000	30'000	
Significant shareholders with voting rights		Share as %			Share as %		
GE Capital Swiss Funding AG, Zürich	30'000	30'000	100.00%	30'000	30'000	100.00%	

Indirect holders of interests

GE Capital International Financing Corporation, New York, USA
 GE Capital Global Financial Holdings, Inc., Connecticut, USA
 Customized Auto Credit Services, Inc., Delaware, USA
 General Electric Capital Vehicle Investments, Inc., Delaware, USA
 General Electric Capital Corporation, Delaware, USA
 General Electric Company, New York, USA

3.5 Statement of shareholders' equity

	TCHF
Equity at beginning of current year	
Bank's capital	30'000
General statutory reserve	670'000
Other reserves	
Distributable profit	135'931
Total equity at beginning of current year (before appropriation of profit)	835'931
Profit for the current year	133'899
Total equity at end of current year (before appropriation of profit)	969'830
of which	
Bank's capital	30'000
General statutory reserve	670'000
Other reserves	135'000
Distributable profit	134'830

3.6 Amounts due to/from related companies as well as loans to members of governing bodies

	31.12.2012	31.12.2011
	TCHF	TCHF
Related companies		
Amounts due from related companies	95'356	4'745
Amounts due to related companies	9'003	8'256

Amounts due to/from related companies are linked to accounts for daily transaction settlements.

	31.12.2012	30.11.2011
	TCHF	TCHF
Loans to members of governing bodies		
Amounts due from members of governing bodies	19	88
Amounts due to members of governing bodies	1'727	1'685

Amounts due to/from members of governing bodies concern personal accounts.

Normal market conditions apply.

Transactions with related parties

As at 31 December 2012, GE Money Bank AG had a loan from GE Capital Swiss Funding AG in the amount of 1.5 billion CHF. This transaction was effected with conditions applicable to third-party transactions.

4. Information on the income statement

4.1 Explanatory notes on extraordinary income as well as value adjustments and provisions no longer required

	1.1.2012 - 31.12.2012	1.12.2010 - 31.12.2011
	TCHF	TCHF
Extraordinary income		
Dissolution of provisions no longer required and not re-designated	0	0
Other income	4	0
Total	4	0
Extraordinary expenses		
Subsequent adjustments of the balance of amounts due from customers	0	0
Other expenses	0	59
Total	0	59

Report of the Statutory Auditor on the Financial Statements to the General Meeting of GE Money Bank Ltd., Zurich

As statutory auditor, we have audited the accompanying financial statements of GE Money Bank Ltd, which comprise the balance sheet, income statement and notes from pages 54 to 64 for the year ended 31 December 2012.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2012 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Michael Schneebeli

Licensed Audit Expert
Auditor in Charge

Michel Simantirakis

Licensed Audit Expert

Zurich, 27 March 2013