Half-year Report 2015

Group Report

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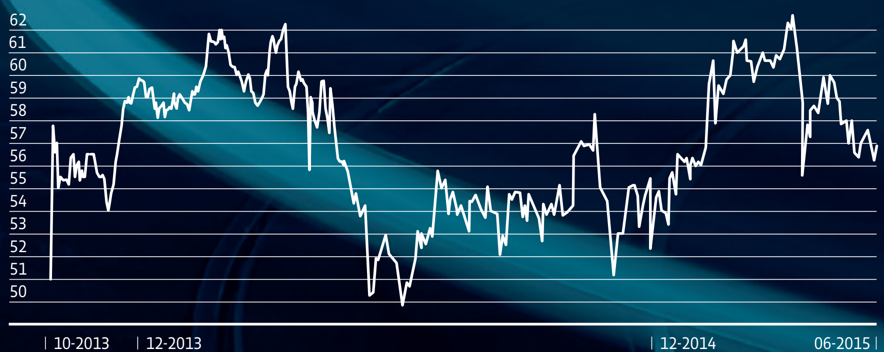
Key Figures

For the six months ended (CHF in millions)	**30 June 2015 / H1'15**	**30 June 2014 / H1'14**	**31 December 2014 / H2'14**
Net interest income	147.3	148.4	152.7
Commission and fee income	43.0	37.5	40.9
Net revenues	190.3	185.9	193.6
Provision for losses	– 20.8	– 21.0	– 19.9
Total operating expenses	– 81.4	– 82.6	– 78.7
Net income	69.6	64.7	75.2
Cost / income ratio (in %)	42.8 %	44.5 %	40.7 %
Net interest margin (in %)	7.1 %	7.2 %	7.4 %
Total assets	4,772	4,628	4,812
Net financing receivables	4,102	4,112	4,074
Personal loans	1,840	1,888	1,855
Auto leases and loans	1,668	1,688	1,662
Cards	595	536	556
Shareholders' equity	736	780	842
Annualised return on average shareholders' equity (ROE in %)	17.7 %	16.4 %	18.5 %
Annualised return on average assets (ROA in %)	2.9 %	2.8 %	3.2 %
Tier 1 capital ratio (in %)	18.7 %	19.8 %	20.6 %
Employees (full-time equivalent)	708	703	702
Credit rating (S & P)	A –	A –	A –
Basic earnings per share (in CHF)	2.37	2.16	2.51
Share price (in CHF)	57.00	56.00	55.00
Market capitalisation	1,710	1,680	1,650

Share Price: Cembra Money Bank AG

in CHF



Share Information

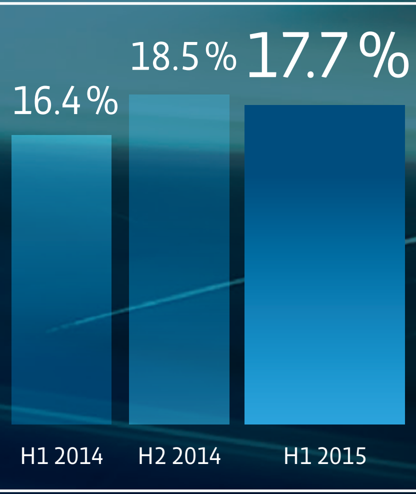
Stock exchange listing	SIX Swiss Exchange
Number of shares	30,000,000
Par value	CHF 1.00
Bloomberg ticker	CMBN SW
Reuters ticker	CMBN.S
ISIN	CH0225173167
Security number	22517316

Financial Highlights

691,000

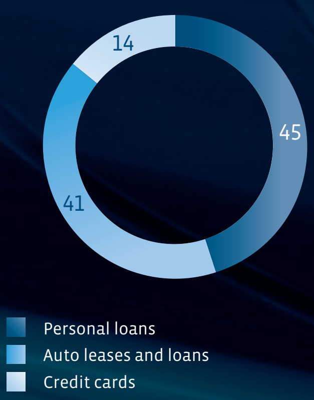
Customers trust Cembra Money Bank as their preferred partner for financial services. This means every 10th resident in Switzerland above the age of 20 years is a customer of our Bank.

Annualised Return on Average Shareholders' Equity (ROE)



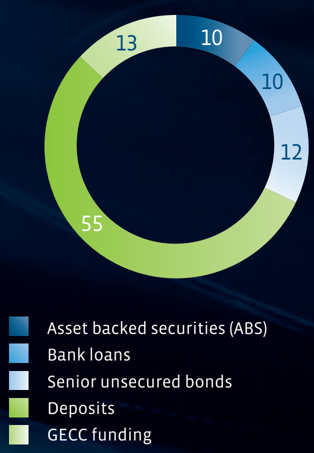
Financing Receivables

in %



Funding Structure

in %



Dear Shareholders

It is our pleasure to inform you about a successful first half-year 2015 for Cembra Money Bank. With a reported net income of CHF 69.6 million we showed excellent growth of 8 %. Despite the challenging economic environment in Switzerland we have been able to increase net financing receivables. For full-year 2015 we remain confident and expect earnings per share to be above the previous year.

Growing commission and fee income

Compared to first half 2014, net revenues increased by 2 % to CHF 190.3 million. Net interest income was barely changed at CHF 147.3 million. The positive effect from lower funding rates on the market was offset by the charge for negative rates paid to the SNB. Commission and fee income was 15 % higher at CHF 43.0 million mainly due to a 26 % increase in credit cards fee income. Our prudent risk management approach was reflected in low and stable provisions for losses on financing receivables of CHF 20.8 million, or 1.0 % of financing receivables. Delinquency metrics in our portfolio also remained stable at low levels with a non-performing loan ratio of 0.5 %. We kept tight control of total expenses which were down 2 % to CHF 81.4 million, mainly as a result of lower general and administrative expenses. Our rigorous cost management resulted in a solid cost / income ratio of 42.8 %. Net income was CHF 69.6 million, an increase of 8 % compared to first half 2014. Earnings per share increased by 10 % to CHF 2.37.

With net financing receivables increasing by 1 % to CHF 4,102 million, the Bank was able to outperform Swiss GDP growth in the first six months of 2015. We continued to further diversify our funding. Owing to our attractive term deposit rate offering we recorded sizeable inflows from institutional and retail clients, which led to an 11 % increase in deposits to CHF 2,163 million. In March 2015, the Bank successfully executed its third auto lease asset backed security (ABS) transaction of CHF 200 million at favorable conditions.

Shareholders' equity was reduced to CHF 736 million by end June 2015 as a result of the dividend payment and the share buyback both executed in May 2015. The annualised return on average equity (ROE) for the first six months reached 17.7 % and was therefore considerably above our 15 % medium-term target. This was achieved while maintaining a solid capital base with a Tier 1 capital ratio of 18.7 %.

Credit cards drive growth in net financing receivables

Again, in a slightly decreasing Swiss consumer finance market, the personal loan product line was able to consolidate its market position keeping receivables almost flat at CHF 1,840 million. As of 1 July 2015 we have reorganised the branch and agent businesses into regions to serve clients more efficiently.

The appreciation of the Swiss Franc had a significant impact on the Swiss auto market. While new car registrations benefited from lower import prices, used car transactions were flat in the first six months of 2015. Net financing receivables of the auto leases and loans portfolio increased slightly to CHF 1,668 million.

Cards again recorded strong growth with net financing receivables increasing by 7 % to CHF 595 million compared to year-end 2014. All card programmes contributed to the 3 % growth of the number of issued credit cards to 626,000 in the first six months 2015.

Share buyback concluded

At the beginning of May, the former major shareholder, General Electric Company, sold all its remaining 9.5 million Cembra Money Bank shares (equivalent to 31.5 % of the capital). In an accelerated book-building process the shares were placed with various institutional investors at a price of CHF 55.50 per share. In this process Cembra Money Bank bought back 1.8 million of its own shares for a total consideration of CHF 100 million. The buyback followed the intention communicated earlier this year to use excess capital for share acquisition in case of a liquidity event by a major shareholder. The Board of Directors of Cembra Money Bank will evaluate in due course on the use of the shares which will be held as treasury shares for the time being. The share buyback does not negatively affect the Bank's future ability to pay dividends.

Resignation from the Board of Directors

After the General Electric Company had sold its remaining shares, Richard Laxer, who serves as representative of the General Electric Company on our Board of Directors, has announced his resignation from the Board of Directors effective 1 September 2015. Denis Hall, who also represented the General Electric Company, will remain on the Board of Directors as an independent member and continue to provide his vast expertise in risk management to the Board. Prof. Dr. Peter Athanas, member of the Board of Directors and Chairman of the Audit Committee, has been elected by the Board of Directors as a member of the Compensation and Nomination Committee. He will replace Richard Laxer, who has announced his retirement from the Board of Directors.

Increasing full-year 2015 guidance

The last milestone in our transition to a stand-alone Bank is the migration of the IT infrastructure from the General Electric Group platform to a stand-alone solution. This major project made significant progress in the first half-year 2015 with about 82 % of all items successfully completed and we foresee completion of the transition by year-end 2015.

Given the seasonality in Cembra Money Bank's business and assuming no major change in the economic environment, net revenue for the second half-year 2015 should exceed first half-year net revenue. Funding costs are expected to benefit from the repayment of loans signed at the time of the IPO and the low interest rate environment. At the same time, due to the scheduled completion of the business transition, IT related operating expenses will increase compared to the first half of the year. Based on these factors, Cembra Money Bank increases its full-year 2015 guidance and is expecting reported earnings per share of between CHF 4.70 and CHF 4.90.

Dr. Felix A. Weber
Chairman of the Board of Directors

Robert Oudmayer
Chief Executive Officer

Management Discussion and Analysis

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Management Discussion and Analysis of Financial Condition and Results of Operations

Significant Developments

On 4 March 2015, Cembra Money Bank (hereafter referred to as "the Bank", together with its subsidiaries, "the Group") announced the launch of its third auto lease asset backed security ("ABS") transaction and issued fixed-rate senior notes of CHF 200.0 million on the Swiss capital market with a legal maturity of ten years and an optional redemption date of four years from the date of issuance.

On 29 April 2015, the Bank held its second General Meeting of Shareholders as a listed company in Zurich. All agenda items were approved including a dividend payment of CHF 93.0 million, or CHF 3.10 per share, which was paid out of the reserves from capital contributions. Dr. Monica Mächler was newly elected to the Board of Directors.

On 7 May 2015, the Group's major shareholder General Electric Company (acting through its subsidiary GE Capital Swiss Funding AG; "General Electric Group") sold in an accelerated book-building process all its remaining 9,460,785 shares (corresponding to 31.54% of all shares) of the Bank to various institutional investors. After the transaction the General Electric Group has no remaining stake in the Bank or the Group. In the accelerated book-building process, the Bank bought 1,801,801 shares (or 6.0% of the outstanding shares) at a price of CHF 55.50 each, representing the market price determined in such book-building process, which resulted in a total cash outflow of CHF 100.0 million. This purchase of shares followed the intention communicated with the annual results on 26 February 2015 to use excess capital for share acquisition in case of a liquidity event by a major shareholder. The Board of Directors will evaluate in due course on the use of the shares which will be held as treasury shares for the time being.

On 29 May 2015, the Group announced a restructuring of its branch business. The dense distribution network with 25 branches has been divided into seven regions with seven regional heads. In addition, the agent business has been separated and is based on five agent regions.

On 10 June 2015, Richard Laxer, who served as a representative of the General Electric Group on the Board of Directors of the Bank, announced his resignation from the Board of Directors effective 1 September 2015.

Market Environment

The overall environment in which the Group operates was strongly influenced by historically low interest rates after the decision of the Swiss National Bank to discontinue the Euro minimum exchange rate and to lower the interest rate on sight deposits to –0.75 % on 15 January 2015. On the one hand it enabled the Group to raise new funds at very favourable conditions and to reduce its overall cost of funding. On the other hand this led to price pressure in some of the Group's product lines.

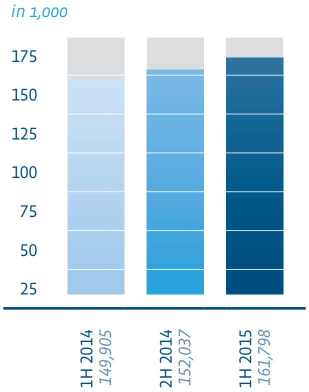
The Group does not have financing receivables in foreign currencies and its activities are based predominantly in Switzerland. Therefore, the market fluctuations in exchange rate of the Swiss Franc did not have a direct impact on the results of the Group. However, indirectly the Group felt the implications of the strong Swiss Franc on the overall economy and consumer behaviour in its different business lines.

The unemployment rate in Switzerland remained low and was at 3.1 % in June 2015 compared to 3.4 % in December 2014, which helped to maintain provision for losses at a low level. Switzerland's gross domestic product (GDP) contracted by 0.2 % in the first quarter 2015 and economists also expect a decline for the second quarter. In line with Swiss GDP the Swiss consumer loan market decreased slightly in the first half 2015.

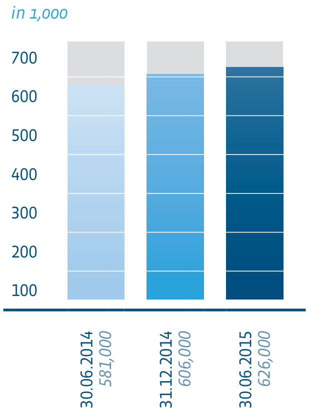
The auto market grew in the first six months of 2015 as reflected in the higher number of new car registrations. According to "auto-schweiz" (association of official Swiss car importers) statistics about 162,000 new cars were registered in the first six months of 2015, an increase of 8 % versus the first six months 2014. The main driver for the increase in new car sales was the significantly stronger Swiss Franc since mid January which prompted dealers to offer substantial discounts on imported cars. This in turn had a negative impact on prices for used cars. In the first six months of 2015, about 425,000 used cars were sold in Switzerland according to "Eurotax Schweiz" (independent provider of automotive market data), unchanged versus the same period in 2014.

The credit cards business continued to grow and was able to outperform the overall Swiss market again. The Group increased the number of issued credit cards by 3 % to about 626,000 compared to year-end 2014. Based on Swiss National Bank statistics, the number of issued credit cards in Switzerland grew by an estimated 1 % to about 6.1 million in the first six months of 2015.

New Car Registrations in Switzerland



Number of Issued Credit Cards



Results of Operations

Key Figures

For the six months ended	**30 June 2015**	**30 June 2014**
Net revenues (CHF in millions)	190.3	185.9
Net interest income (CHF in millions)	147.3	148.4
Net income (CHF in millions)	69.6	64.7
Cost / income ratio	42.8 %	44.5 %
Net interest margin	7.1 %	7.2 %
Return on average equity (ROE)	17.7 %	16.4 %
Return on average assets (ROA)	2.9 %	2.8 %
Earnings per share (CHF)	2.37	2.16

As of	**30 June 2015**	**31 December 2014**
Total assets (CHF in millions)	4,772	4,812
Net financing receivables (CHF in millions)	4,102	4,074
Total shareholders' equity (CHF in millions)	736	842
Tier 1 capital ratio	18.7 %	20.6 %
Employees (FTEs)	708	702

Net revenues for the six months ended 30 June 2015 increased by 2 % to CHF 190.3 million compared to the corresponding prior year period. Net interest income contributed 77 % to revenues while commission and fee income accounted for 23 % of revenues. The Group recorded net income of CHF 69.6 million for the first six months of 2015 compared to CHF 64.7 million in the corresponding period in 2014, which is an increase of about 8 %. The annualised return on average shareholders' equity was 17.7 % in the first half of 2015 and 16.4 % in the first half of 2014, respectively, despite high Tier 1 capital ratios of 18.7 % and 19.8 % in those periods.

Balance Sheet Analysis

CHF in millions	30 June 2015	31 December 2014	Variance	in %
Assets				
Cash and cash equivalents	534	622	– 88	– 14
Net financing receivables	4,102	4,074	29	1
Personal loans	1,840	1,855	– 15	– 1
Auto leases and loans	1,668	1,662	5	0
Credit cards	595	556	38	7
Other assets	136	116	20	17
Total assets	**4,772**	**4,812**	**– 40**	**– 1**
Liabilities and equity				
Deposits and debt	3,912	3,341	572	17
Deposits	2,163	1,941	221	11
Debt	1,750	1,400	350	25
Due to affiliates (GECC funding)	–	500	– 500	– 100
Other liabilities	124	129	– 5	– 4
Total liabilities	**4,036**	**3,970**	**67**	**2**
Shareholders' equity	736	842	– 107	– 13
Total liabilities and shareholders' equity	**4,772**	**4,812**	**– 40**	**– 1**

Net Financing Receivables

Net financing receivables amounted to CHF 4,102 million as at 30 June 2015, which is an increase of 1 % compared to CHF 4,074 million as at 31 December 2014. At the end of June 2015 the Group's personal loans accounted for 45 %, auto leases and loans accounted for 41 %, and credit cards accounted for 14 % of the net financing receivables.

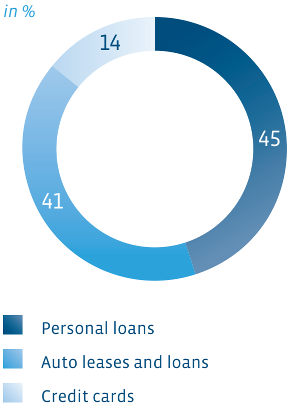
Receivables from personal loans were 1 % lower at CHF 1,840 million compared to CHF 1,855 million at 31 December 2014.

In a challenging market environment auto leases and loans receivables grew to CHF 1,668 million at 30 June 2015 compared to CHF 1,662 million at the end of 2014.

Credit cards once again recorded strong growth of 7 % of its receivables compared to end of 2014, reaching CHF 595 million as at 30 June 2015 and contributed to the further diversification of the Group's income.

Net Financing Receivables

in %



Funding

The Group further diversified its funding structure during the first six months of the year. The deposit base grew by 11 % to CHF 2,163 million at 30 June 2015 from CHF 1,941 million as at 31 December 2014. This was primarily driven by strong growth in retail deposits and sector/counterparty diversification in the institutional deposit base.

The Group maintained a stable level of long-term debt with balances decreasing moderately from CHF 1,900 million (including former affiliated debt) as at 31 December 2014 to CHF 1,750 million as at 30 June 2015. In line with the funding strategy, the focus continues to be one of increasing granularity of funding sources and extending the average portfolio term. The Group returned to the capital markets and raised CHF 200 million in an auto lease ABS transaction (optional redemption in 2019), successfully refinancing the maturing ABS issued in 2012. The Group made a further partial prepayment on the CHF 450 million IPO bridge facility of CHF 150 million, to bring the outstanding balance to CHF 150 million as at 30 June 2015. Additionally, the Group drew a further CHF 50 million on the CHF 150 million fixed term loan facility put in place in the second half-year 2014 with an international bank. The outstanding balance on this facility increased to CHF 100 million as at 30 June 2015 with the remaining CHF 50 million expected to be drawn in the course of the second half-year 2015.

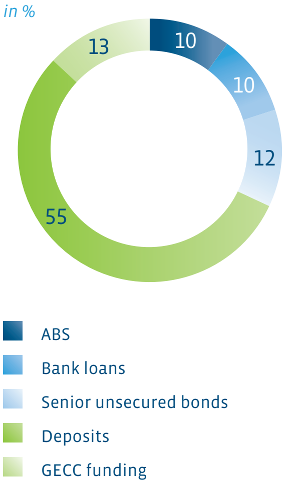
The reliance on funding from the former parent, the General Electric Group, was unchanged at CHF 500 million as at 30 June 2015. This credit facility is now treated as external debt after the sale of the stake in the Group.

Equity

Total shareholders' equity decreased by CHF 106 million from CHF 842 million at year-end 2014 to CHF 736 million at 30 June 2015. The decrease is mainly attributable to the dividend payment of CHF 93.0 million and the share buyback of CHF 100 million, both executed in May 2015. This was partially offset by the net income of CHF 69.6 million for the first six months of 2015 and a nominal tax benefit of CHF 15.5 million related to the sale of the remaining 9.5 million Cembra Money Bank shares by the General Electric Group in May 2015.

Funding Structure

in %



Profit and Loss Analysis

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
Interest income	167.1	168.9	– 1.8	– 1
Interest expense	– 19.8	– 20.5	0.7	– 3
Net interest income	**147.3**	**148.4**	**– 1.1**	**– 1**
Commission and fee income	43.0	37.5	5.5	15
Net revenues	**190.3**	**185.9**	**4.4**	**2**
Provision for losses on financing receivables	**– 20.8**	**– 21.0**	**– 0.2**	**– 1**
Compensation and benefits	– 48.8	– 47.9	0.9	2
General and administrative expenses	– 32.5	– 34.7	– 2.2	– 6
Total operating expenses	**– 81.4**	**– 82.6**	**– 1.3**	**– 2**
Income before income taxes	**88.1**	**82.3**	**5.9**	**7**
Income tax expense	– 18.5	– 17.6	0.9	5
Net income	**69.6**	**64.7**	**4.9**	**8**
Other comprehensive income	1.7	0.7	1.0	139
Comprehensive income	**71.3**	**65.4**	**5.9**	**9**

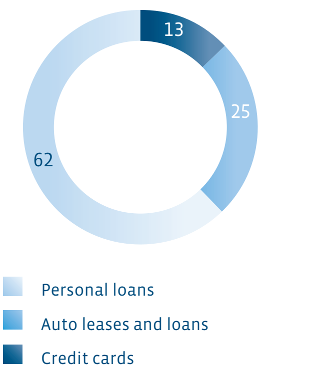
Interest Income

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
Personal loans	103.7	106.0	– 2.3	– 2
Auto leases and loans	42.9	43.9	– 1.0	– 2
Credit cards	21.8	18.7	3.1	17
Other	– 1.5	0.2	– 1.7	–
Total	**167.1**	**168.9**	**– 1.8**	**– 1**

The Group’s primary source of interest income is personal loans, which accounted for 62 % of interest income in the first half of 2015 and 63 % in the first half of 2014. Auto leases and loans accounted for 25 % and 26 % of interest income for the periods ended 30 June 2015 and 2014, respectively. Credit cards accounted for 13 % and 11 % of interest income in the periods ended 30 June 2015 and 2014, respectively.

Interest Income

in % (excluding “other”)



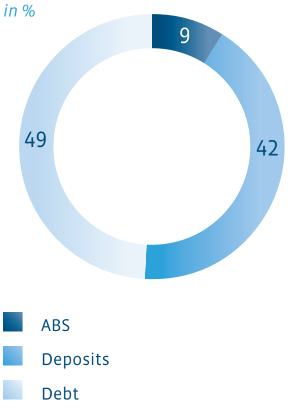
The Group's interest income remained stable at CHF 167.1 million in the first half of 2015 compared to CHF 168.9 million in the first half of 2014. However, there were slight changes in its composition. Interest income also included a CHF 1.5 million expense primarily from the negative interest rate on the cash held with the Swiss National Bank. Interest income from personal loans decreased by CHF 2.3 million, or 2 %, from CHF 106.0 million to CHF 103.7 million. This decrease was primarily due to lower volumes. Interest income from the Group's auto leases and loans decreased by CHF 1.0 million, or 2 %, from CHF 43.9 million in the first six months of 2014 to CHF 42.9 million in the first six months of 2015. The decrease was mainly driven by lower average interest rates of the lease and loan portfolio. On the contrary, interest income from credit cards increased by CHF 3.1 million, or 17 %, from CHF 18.7 million for the first six months of 2014 to CHF 21.8 million in the corresponding period in 2015. This increase was primarily due to higher levels of credit card receivables as a result of an increase in credit card volumes.

Cost of Funds

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
Interest expense on ABS	1.7	2.2	– 0.5	– 22
Interest expense on deposits	8.4	7.1	1.3	18
Interest expense on debt	9.7	11.1	– 1.5	– 13
Total	**19.8**	**20.5**	**– 0.7**	**– 3**

Cost of Funds

in %



The Group's overall cost of funds decreased by CHF 0.7 million, or 3 %, from CHF 20.5 million in the first half 2014 to CHF 19.8 million in the first half 2015. Interest expense on auto lease ABS decreased by 22 % to CHF 1.7 million. The decrease was due to the maturity of the first ABS in March 2015 and the issuance of a new ABS with a term of four years (optional redemption) and a lower coupon. Interest expense on deposits increased by 18 % to CHF 8.4 million as a result of the strong growth in the deposit base and longer duration. The former affiliated interest expense was reclassified to interest expense on debt after the General Electric Group sold its investment in the Bank in May 2015. Nevertheless, the total interest expense on debt decreased by CHF 1.5 million, or 13 %, from CHF 11.2 million in June 2014 to CHF 9.7 million in June 2015, in line with the total decrease in debt and lower interest rates on the market.

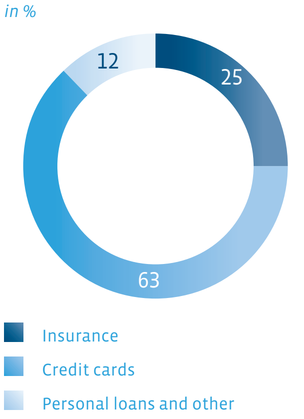
Commission and Fee Income

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
Insurance	10.7	10.7	0.1	1
Credit cards	27.0	21.5	5.5	26
Personal loans and other	5.3	5.4	– 0.1	– 2
Total	**43.0**	**37.5**	**5.5**	**15**

The Group's commission and fee income increased by CHF 5.5 million, or 15 %, from CHF 37.5 million in the first half-year 2014 to CHF 43.0 million in the first half-year 2015. This increase was due to higher fee income on credit cards of CHF 5.5 million, or 26 %, as a result of the growing credit card portfolio and transaction volume. Insurance income as well as income from personal loans and other remained stable at CHF 10.7 million and CHF 5.3 million, respectively.

Commission and Fee Income

in %



Provision for Losses on Financing Receivables

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
Provision for losses on personal loans	13.3	15.7	– 2.4	– 15
Provision for losses on auto leases and loans	2.5	3.0	– 0.4	– 15
Provision for losses on credit cards	4.9	2.3	2.6	112
Total	**20.8**	**21.0**	**– 0.2**	**– 1**

The Group's provision for losses on financing receivables was stable at CHF 20.8 million in the first half-year 2015 compared to CHF 21.0 million in the same period 2014. The loss rate was unchanged at 1.0 % of financing receivables.

Compensation and Benefits

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
Compensation and benefits	**48.8**	**47.9**	**0.9**	**2**

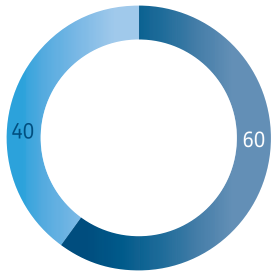
The Group's compensation and benefits expense in the first half-year 2015 was 2 % higher at CHF 48.8 million, compared to CHF 47.9 million in the same period 2014. The increase was primarily due to higher pension cost.

General and Administrative Expenses

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
GECC assessment / TSA	1.2	3.4	– 2.2	– 64
Professional services	5.3	6.8	– 1.5	– 22
Marketing	4.6	2.9	1.7	60
Collection fees	3.3	3.1	0.2	7
Postage and stationary	3.9	4.3	– 0.4	– 9
Rental expense under operating leases	2.8	2.9	– 0.1	– 4
Depreciation and amortisation	1.8	1.1	0.6	57
Information technology	6.7	5.6	1.1	20
Other	2.9	4.7	– 1.8	– 38
Total	**32.5**	**34.7**	**– 2.2**	**– 6**

Operating expenses

in %



Compensation and benefits

General and administrative expenses

The Group's general and administrative expenses decreased by CHF 2.2 million, or 6 %, from CHF 34.7 million in the first six months 2014 to CHF 32.5 million in the first six months 2015. The transitional service agreement ("TSA") fee paid to the General Electric Group decreased significantly to CHF 1.2 million in the first six months 2015 due to the advanced stage of the transition to an independent stand-alone operating platform. Due to the growing relevance, costs related to information technology are newly disclosed in a separate expense line. Certain costs from professional services and other have been reclassified to information technology. Marketing increased due to lower run rate in the first half 2014 as a result of the extensive IPO rebranding and marketing campaigns at the end of 2013. Depreciation and amortisation increased as a result of the advanced stage of the IT transition resulting in the go-live of several applications. The position "Other" included a provision of CHF 3.0 million in the first half 2014 related to an investigation by FINMA and in the first half 2015 CHF 3.4 million of Swiss issuance stamp tax associated with the sale of the remaining Cembra Money Bank shares by the General Electric Group.

Income Tax Expense

For the six months ended (CHF in millions)	30 June 2015	30 June 2014	Variance	in %
Income tax expense	**18.5**	**17.6**	**0.9**	**5**

The Group's income tax expense increased by CHF 0.9 million from CHF 17.6 million in the first half 2014 to CHF 18.5 million in the same period 2015 as a result of increased income before income taxes.

The Group's effective tax rate in both periods was approximately 21 %, which is in line with the statutory tax rate resulting from the combination of federal, cantonal and communal corporation taxes in Switzerland.

Interim Condensed Consolidated Financial Statements (Unaudited)

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Interim Condensed Consolidated Statements of Income (Unaudited)

For the six months ended (CHF in thousands)	**Notes**	**30 June 2015**	**30 June 2014**
Interest income	17	167,050	168,850
Interest expense	18	– 19,787	– 20,488
Net interest income		**147,263**	**148,362**
Commission and fee income	19	43,001	37,517
Net revenues		**190,264**	**185,879**
Provision for losses on financing receivables	**3**	**– 20,753**	**– 20,972**
Compensation and benefits		– 48,813	– 47,883
General and administrative expenses	20	– 32,548	– 34,748
Total operating expenses		**– 81,361**	**– 82,631**
Income before income taxes		**88,150**	**82,276**
Income tax expense	12	– 18,511	– 17,584
Net income		**69,638**	**64,692**
Earnings per share			
Basic	11	2.37	2.16
Diluted	11	2.36	2.16

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Comprehensive Income (Unaudited)

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
Net income	69,638	64,692
Net prior service cost	– 254	– 301
Actuarial gain	1,938	1,006
Total other comprehensive income	1,684	705
Comprehensive income	**71,322**	**65,397**

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Financial Position (Unaudited)

CHF in thousands	Notes	30 June 2015	31 December 2014
ASSETS			
Cash and cash equivalents		533,854	622,333
Financing receivables, net	3	4,102,435	4,073,595
Property, plant and equipment, net	4	5,358	4,891
Intangible assets, net	5	22,599	17,119
Other assets	6	99,294	81,773
Deferred income taxes	12	8,525	12,376
Total assets [1]		**4,772,065**	**4,812,087**
LIABILITIES AND EQUITY			
Deposits	7	2,162,506	1,941,030
Accrued expenses and other payables		100,225	103,175
Due to affiliates	8	–	500,000
Short-term debt	8	200,000	–
Long-term debt	8	1,549,752	1,399,701
Other liabilities		23,759	25,806
Total liabilities [1]		**4,036,242**	**3,969,712**
Common shares		30,000	30,000
Additional paid in capital (APIC)		486,755	563,631
Treasury shares		– 101,774	– 1,952
Retained earnings		342,071	273,609
Accumulated other comprehensive loss (AOCI)		– 21,229	– 22,913
Total shareholders' equity		**735,823**	**842,375**
Total liabilities and shareholders' equity		**4,772,065**	**4,812,087**

[1] *The Group's consolidated assets as at 30 June 2015 and 31 December 2014, include total assets of TCHF 524,815 and TCHF 571,070, respectively, of consolidated variable interest entities ("VIEs") that can only be used to settle the liabilities of the VIEs. The Group's consolidated liabilities as at 30 June 2015 and 31 December 2014 include liabilities of the VIEs of TCHF 400,000 each, for which the VIE creditors do not have recourse to Cembra Money Bank AG.*

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

CHF in thousands	Common shares	Treasury Shares	APIC	Retained earnings	AOCI [1]	Total equity
Balance at 31 December 2013	**30,000**	**– 2,000**	**647,906**	**133,759**	**– 10,322**	**799,343**
Net income	–	–	–	64,692	–	64,692
Dividend paid	–	–	– 85,500	–	–	– 85,500
Change in APIC due to share based compensation	–	–	658	–	–	658
Treasury shares	–	2	– 2	–	–	–
Reclassifications from accumulated other comprehensive loss net of deferred tax –187	–	–	–	–	705	705
Balance at 30 June 2014	**30,000**	**– 1,998**	**563,062**	**198,451**	**– 9,617**	**779,898**
Balance at 31 December 2014	**30,000**	**– 1,952**	**563,631**	**273,609**	**– 22,913**	**842,375**
Net income	–	–	–	69,638	–	69,638
Dividend paid	–	–	– 93,000	–	–	– 93,000
Change in deferred tax assets related to tax goodwill	–	–	15,522	–	–	15,522
Change in APIC due to share based compensation	–	–	602	–	–	602
Treasury shares	–	– 99,822		–	–	– 99,822
Reclassifications from accumulated other comprehensive loss net of deferred tax of -448	–	–	–	–	1,684	1,684
Other	–	–	–	– 1,177	–	– 1,177
Balance at 30 June 2015	**30,000**	**– 101,774**	**486,755**	**342,071**	**– 21,229**	**735,823**

[1] *Accumulated other comprehensive loss consists of movements related to the Group's benefit plan obligation. Reclassifications from accumulated other comprehensive loss are classified in the income statement under compensation and benefits.*

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)

For the six months ended (CHF in thousands)	Notes	30 June 2015	30 June 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		69,638	64,692
Adjustments to reconcile net income to cash provided from operating activities:			
Provision for losses on financing receivables		20,753	20,972
Deferred income taxes		5,073	3,998
Depreciation		737	705
Amortisation of intangible assets		1,034	421
Decrease (–) / Increase in accrued expenses		– 2,950	– 3,715
Decrease / Increase (–) in tax receivables		– 36,519	– 22,468
Decrease / Increase (–) in other receivables		4,808	1,220
All other operating activities		11,140	– 1,213
Net cash provided by operating activities		**73,714**	**64,612**
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financing receivables	21	– 49,593	– 139,955
Additions to property, plant and equipment		– 1,204	– 914
Decrease / Increase (–) in restricted cash		16,591	4,684
Additions to intangible assets		– 6,514	– 3,690
Net cash used in investing activities		**– 40,721**	**– 139,875**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net change in deposits		221,476	238,097
Net change in due to affiliates		–	– 200,000
Issuance of long-term debt		50,000	50,000
Repayments of long-term debt		– 200,000	– 25,000
Dividends paid		– 93,000	– 85,500
All other financing activities		– 99,949	717
Net cash provided by / used in financing activities		**– 121,473**	**– 21,686**
Net increase / decrease (–) in cash and cash equivalents		**– 88,479**	**– 96,949**
CASH AND CASH EQUIVALENTS			
Beginning of the period		622,333	491,733
End of period		**533,854**	**394,784**
SUPPLEMENTAL DISCLOSURE			
Interest paid		– 16,928	– 19,055
Income taxes paid		– 35,457	– 30,713

See accompanying notes to the Interim Condensed Consolidated Financial Statements.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Summary of Significant Accounting Policies

Cembra Money Bank, which is headquartered in Zurich, Switzerland, comprises of Cembra Money Bank AG (the "Bank" or the parent company) and its subsidiaries Swiss Auto Lease 2012-1 GmbH, Swiss Auto Lease 2013-1 GmbH and Swiss Auto Lease 2015-1 GmbH (collectively the "Group").

The accompanying unaudited Condensed Consolidated Financial Statements reflect the Group's financial position, results of operations, shareholders' equity and cash flows and have been prepared in accordance with accounting principles generally accepted in the U.S. ("US GAAP") and are stated in Swiss Francs (CHF).

Certain financial information, which is normally shown in annual consolidated financial statements prepared according to US GAAP, is not required to be disclosed for interim reporting purposes. These statements include all adjustments (consisting of normal recurring accruals) that the Group considers necessary to present a fair statement of the Group's financial position, results of operations, shareholders' equity and cash flows. The results reported in these Interim Condensed Consolidated Financial Statements should not be regarded as necessarily indicative of results that may be expected for the entire year. They should be read in combination with the Consolidated Financial Statements and notes thereto included in the Consolidated Financial Statements as of and for the years ended 31 December 2014 and 2013.

Preparing financial statements in conformity with US GAAP requires the management to make estimates based on assumptions about future economic and market conditions that affect reported amounts and related disclosures in the financial statements. Although the Group's current estimates take into account current conditions and how management expects them to change in the future, as appropriate, it is reasonably possible that in 2015 and beyond actual conditions could be worse than anticipated in those estimates, which could materially affect the Group's results of operations and financial position.

The abbreviation TCHF within these financial statements refers to thousands of Swiss Francs.

2. Accounting Changes

On 9 July 2015, the Financial Accounting Standards Board ("FASB") reaffirmed the guidance in its proposed Accounting Standards Update ("ASU") from April 2015 "Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date" that defers for one year the effective date of the new revenue standard (ASU 2014-09) and allows early adoption as of the original effective date. For public entities, the standard will be effective for annual reporting periods (including interim reporting periods within those periods) beginning after 15 December 2017. Early adoption will be permitted for annual reporting periods beginning after 15 December 2016, including interim reporting periods within those annual periods. The Group is currently evaluating the effect of adoption of the new standard on its financial statements.

Recently issued accounting standards to be effective in future periods

On 9 January 2015, the FASB issued ASU 2015-01 "Income Statement - Extraordinary and Unusual Items (Subtopic 225-20)" to eliminate from US GAAP the concept of an extraordinary item, which is an event or transaction that is both unusual in nature and infrequently occurring. Under the ASU, an entity will no longer segregate an extraordinary item from the results of ordinary operations or separately present an extraordinary item on its income statement, net of tax, after income from continuing operations; or disclose income taxes and earnings-per-share data applicable to an extraordinary item. The ASU is effective for annual periods beginning after 15 December 2015, and interim periods within those annual periods. Entities may apply the guidance prospectively or retrospectively to all prior periods presented in the financial statements. Early adoption is permitted if the guidance is applied as of the beginning of the annual period of adoption. The Group does not expect any effect on its financial statements due to adoption of this ASU.

On 18 February 2015, the FASB issued ASU 2015-02 “Consolidation (Topic 810)”, which amends the consolidation requirements in ASC 810 and significantly changes the consolidation analysis required under US GAAP. The ASU changes the effect that fees paid to a decision maker or service provider have on the consolidation analysis. The ASU significantly amends how variable interests held by a reporting entity’s related parties or de facto agents affect its consolidation conclusion. For entities other than limited partnerships, the ASU clarifies how to determine whether the equity holders (as a group) have power over the entity (this will most likely result in a change to current practice). The clarification could affect whether the entity is a VIE. For public business entities, the guidance in the ASU is effective for annual periods, and interim periods within those annual periods, beginning after 15 December 2015. Early adoption is allowed for all entities. The Group is currently evaluating the effects of adoption of this ASU on its financial statements.

On 7 April 2015, the FASB issued ASU 2015-03 “Interest - Imputation of Interest (Subtopic 835-30)”, which changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity will present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortisation of the costs will be reported as interest expense. For public business entities, the guidance in the ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2015. Early adoption is allowed for all entities for financial statements that have not been previously issued. Entities would apply the new guidance retrospectively to all prior periods (i.e., the balance sheet for each period is adjusted). The Group is currently evaluating the effect of adoption of this ASU on its financial statements.

On 15 April 2015, the FASB issued ASU 2015-05 “Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)”, which clarifies the circumstances under which a cloud computing customer would account for the arrangement as a license of internal-use software under ASC 350-40. The ASU amends ASC 350-40 to provide customers with guidance on determining whether a cloud computing arrangement contains a software license that should be accounted for as internal-use software. For public business entities, the ASU is effective for annual periods (and interim periods therein) beginning after 15 December 2015. Early adoption is permitted. Entities may adopt the guidance retrospectively or prospectively to arrangements entered into, or materially modified, after the effective date. The Group is currently evaluating the effect of adoption of this ASU on its financial statements.

3. Financing Receivables and Allowance for Losses

As at 30 June 2015, the Group's financing receivables included lending to private customers, vehicle lease financing, and credit card financing as follows:

CHF in thousands	**30 June 2015**	**31 December 2014**
Loans	2,681,613	2,645,762
Deferred costs	31,733	31,107
Total loans, net of deferred costs	**2,713,347**	**2,676,869**
Investment in financing leases, net of deferred income	1,436,800	1,442,735
Financing receivables before allowance for losses	**4,150,147**	**4,119,604**
Less allowance for losses	– 47,712	– 46,009
Financing receivables, net	**4,102,435**	**4,073,595**

The majority of the investment in financing leases is related to auto leases. Components of the Group's net investment in financing leases, which are included in financing receivables above, are shown below:

CHF in thousands	**30 June 2015**	**31 December 2014**
Total minimum lease payments receivable	1,549,191	1,555,687
Deferred income [1]	– 112,391	– 112,952
Investment in direct financing leases	**1,436,800**	**1,442,735**
Less allowance for losses	– 4,990	– 5,115
Net investment in direct financing leases	**1,431,810**	**1,437,620**

[1] *Includes TCHF 14,158 and TCHF 13,785 of initial direct costs on direct financing leases as at 30 June 2015 and 31 December 2014, respectively.*

The subsidiaries held TCHF 524,815 and TCHF 571,070 of net investment in direct financing leases as at 30 June 2015 and as at 31 December 2014, respectively, used as collateral to secure third-party debt in securitisations. See note 15 for further details of securitisations.

The following table provides further information about financing receivables:

CHF in thousands	**30 June 2015**	**31 December 2014**
Personal loans	1,874,904	1,890,319
Auto leases and loans	1,674,955	1,669,676
Credit cards	600,287	559,609
Financing receivables, before allowance for losses	**4,150,147**	**4,119,604**
Allowance for losses	– 47,712	– 46,009
Financing receivables, net	**4,102,435**	**4,073,595**

A summary of activity in the allowance for losses is shown below:

CHF in thousands	**Balance at 1 January 2015**	**Provision for losses**	**Amounts written off**	**Recoveries**	**Other**	**Balance at 30 June 2015**
Personal loans	35,216	13,283	– 37,254	23,485	–	34,730
Auto leases and loans	7,358	2,523	– 8,816	6,137	–	7,202
Credit cards	3,435	4,947	– 6,040	2,588	849	5,780
Total	**46,009**	**20,753**	**– 52,109**	**32,210**	**849**	**47,712**
As a % of total financing receivables, net						1.2 %

CHF in thousands	**Balance at 1 January 2014**	**Provision for losses**	**Amounts written off**	**Recoveries**	**Other**	**Balance at 30 June 2014**
Personal loans	38,829	15,672	– 40,580	23,119	–	37,040
Auto leases and loans	7,536	2,964	– 8,245	5,024	–	7,279
Credit cards	3,226	2,336	– 3,838	1,860	–	3,584
Total	**49,591**	**20,972**	**– 52,663**	**30,003**	**–**	**47,903**
As a % of total financing receivables, net						1.2 %

Credit Quality of Financing Receivables

The Group describes the characteristics of the financing receivables and provides information about payment performance, credit quality indicators, and impairment. The Group manages these portfolios using delinquency and nonaccrual data as key performance indicators. The categories used within this section such as nonaccrual financing receivables are defined by the authoritative guidance and the Group bases the categorisation on the related scope and definitions contained in the related standards. The category of delinquent customer accounts is defined by the Group and is used in the process of managing the financing receivables. Definitions of these categories are provided in note 1 in the Consolidated Financial Statements as of and for the year ended 31 December 2014 and 2013.

Past Due Financing Receivables

The following table displays payment performance of our financing receivables as a percentage of loans and investment in direct financing leases:

	30 June 2015		31 December 2014	
	Over 30 days past due	*Over 90 days past due*	*Over 30 days past due*	*Over 90 days past due*
Personal loans	3.3 %	0.7 %	2.9 %	0.7 %
Auto leases and loans	0.9 %	0.1 %	0.9 %	0.2 %
Credit cards	1.2 %	0.5 %	1.1 %	0.4 %
Total [1]	**2.0 %**	**0.5 %**	**1.8 %**	**0.4 %**

[1] *Over 30 days past due and over 90 days past due as at 30 June 2014 were 2.0 % and 0.5 %, respectively.*

Nonaccrual Financing Receivables

The following table provides further information about financing receivables that are classified as nonaccrual:

CHF in thousands	30 June 2015	31 December 2014
Personal loans	13,616	12,161
Auto leases and loans	2,287	3,012
Credit cards	3,200	2,408
Total	**19,103**	**17,581**
Nonperforming loan coverage [1]	240.8 %	261.7 %

[1] *Calculated as allowance for losses divided by nonaccrual financing receivables.*

Credit Quality Indicators

For its lending products, the Group uses consumer ratings (CR) to assess overall credit quality. There are five consumer ratings, each having an implied probability of default based on historical default experience, with a default definition of 90 days past due. The five ratings and their associated probabilities of default are
(a) CR1 0.00 % – 1.20 %,
(b) CR2 1.21 % – 2.97 %,
(c) CR3 2.98 % – 6.99 %,
(d) CR4 7.00 % – 13.16 % and
(e) CR5 13.17 % and greater.
For private customers the consumer rating is derived from an application credit score that is calculated through one of the Group's internal scorecards. Each credit score translates into one of the consumer ratings. For commercial customers, an obligor rating (OR) is assigned. The obligor rating can be translated into the grades of the consumer rating.

In addition to regular scorecard monitoring, a parity test is run on a quarterly basis to monitor at portfolio level whether the consumer ratings adequately reflect the credit quality. The parity tests confirm that although a consumer rating may have been assigned more than 12 months ago and so the initial 12-month window for probability of default has passed, the rating still accurately reflects the probability of default.

	30 June 2015				
CHF in thousands	*CR1*	*CR2*	*CR3*	*CR4*	*CR5*
Personal loans	733,454	597,422	430,411	110,416	3,201
Auto leases and loans	966,778	534,376	129,724	30,623	13,454
Credit cards	463,138	106,782	28,988	1,349	30
Total	**2,163,371**	**1,238,581**	**589,123**	**142,387**	**16,685**
As a % of total financing receivables before allowance for losses	52.1 %	29.8 %	14.2 %	3.4 %	0.4 %

	31 December 2014				
CHF in thousands	*CR1*	*CR2*	*CR3*	*CR4*	*CR5*
Personal loans	742,432	595,617	430,083	119,445	2,743
Auto leases and loans	969,855	526,708	124,421	29,868	18,824
Credit cards	436,615	96,084	25,589	1,292	28
Total	**2,148,902**	**1,218,409**	**580,093**	**150,605**	**21,595**
As a % of total financing receivables before allowance for losses	52.2 %	29.6 %	14.1 %	3.7 %	0.4 %

4. Property, Plant and Equipment

CHF in thousands	**Estimated useful lives (years)**	**30 June 2015**	**31 December 2014**
ORIGINAL COST			
Buildings and improvements	(5-40)	8,361	8,413
Office equipment	(3-10)	6,511	12,853
Total		**14,871**	**21,266**
ACCUMULATED DEPRECIATION			
Buildings and improvements		– 5,308	– 5,772
Office equipment		– 4,204	– 10,603
Total		**– 9,512**	**– 16,375**
NET CARRYING VALUE			
Buildings and improvements		3,052	2,641
Office equipment		2,306	2,250
Total		**5,358**	**4,891**

Depreciation expense was TCHF 737 and TCHF 705 for the periods ended 30 June 2015 and 30 June 2014, respectively. The Group did not recognise any impairment losses in these periods.

5. Intangible Assets

CHF in thousands	**30 June 2015**	**31 December 2014**
Original cost	25,926	44,555
Accumulated amortisation	– 3,327	– 27,436
Net carrying value	**22,599**	**17,119**

Capitalised software is amortised over a useful life of one to five years. The weighted average amortisation period of intangible assets is five years as of 30 June 2015.

Amortisation expense related to intangible assets was TCHF 1,034 and TCHF 421 for the periods ended 30 June 2015 and 30 June 2014, respectively.

6. Other Assets

CHF in thousands	**30 June 2015**	**31 December 2014**
Restricted cash	33,142	49,732
Tax receivables	57,048	20,529
Other receivables	1,618	6,426
Deferred expenses	5,846	3,853
Other	1,641	1,233
Total other assets	**99,294**	**81,773**

Restricted cash is cash that is not available for use in the ordinary course of operations and is restricted in terms of withdrawal or usage. The Group had TCHF 33,142 and TCHF 49,732 of restricted cash related to the consolidated VIEs (see note 15) as at 30 June 2015 and 31 December 2014, respectively.

The tax receivables as per 30 June 2015 consist of VAT input tax and income tax receivables. Income tax receivables were due to the sale of shares by the former sole shareholder. More details are provided in note 12.

7. Deposits

The following table presents the maturities of the Group's customers' saving deposits, term deposits and prepaid cards as at 30 June 2015 and 31 December 2014, respectively:

CHF in thousands	**30 June 2015**	**31 December 2014**
On demand	185,671	194,531
Less than 3 months	212,779	220,253
3 to less than 6 months	281,465	286,727
6 to less than 12 months	412,868	399,244
12 months plus, thereof	1,069,723	840,275
due in 2016	320,276	383,236
due in 2017	238,412	159,037
due in 2018	156,509	110,260
due in 2019	108,723	74,116
due in 2020 and later	245,803	113,626
Total	**2,162,506**	**1,941,030**

There is no term of maturity for on demand saving deposits. All deposits are in Switzerland and denominated in CHF. The weighted average interest rate on all deposits was approximately 0.75 % and 0.80 % as at 30 June 2015 and 31 December 2014, respectively.

8. Due to (Former) Affiliates, Short-term and Long-term Debt

Due to (former) affiliates, short-term and long-term debt is shown below:

		30 June 2015		31 December 2014	
CHF in thousands	*Maturity*	*Amount*	*Contractual interest rate*	*Amount*	*Contractual interest rate*
Due to affiliates (term)[1]	2016	–	–	500,000	1.39 %
External debt (term)[1]	2016	500,000	1.39 %	–	–
External debt (bank loan)	2017	150,000	0.89 %	150,000	0.89 %
External debt (bank facility)	2017	–	–	50,000	0.81 %
External debt (bank facility)	2016	150,000	1.14 %	300,000	1.14 %
External debt (bank loan)	2018	100,000	0.57 %	50,000	0.85 %
External debt (unsecured bond)	2017	249,721	1.13 %	249,663	1.13 %
External debt (unsecured bond)	2019	100,083	0.75 %	100,093	0.75 %
External debt (unsecured bond)	2022	99,948	1.25 %	99,945	1.25 %
Non-recourse borrowings (Auto ABS)[2]	2015	–	–	200,000	0.78 %
Non-recourse borrowings (Auto ABS)[2] short-term	2016	200,000	0.58 %	200,000	0.58 %
Non-recourse borrowings (Auto ABS)[2]	2019	200,000	0.23 %	–	–
Total due to affiliates, short-term and long-term debt		**1,749,752**		**1,899,701**	

1 *Facility from former Group's affiliates was reclassified to external debt after the sale of the interest in the Group.*
2 *Related to consolidated VIE*

The contractual rate represents the interest due on the relevant debt as at the reporting date, whereas the all-in-rate reflects, in addition to the contractual interest rate, fees and debt issuance costs that are amortised over the expected life of the instrument. As per 30 June 2015, the Group has carried only fixed rate funding on its balance sheet.

The Group maintains a regular presence on the Swiss Capital market with a total of TCHF 450,000 of senior unsecured bonds issued and outstanding as at 30 June 2015. These bonds have been issued in 2013 and 2014 with maturities of four, five and eight years, respectively.

On 4 March 2015, the Group launched its third auto lease asset backed security ("ABS") transaction and issued fixed-rate senior notes of TCHF 200,000 on the Swiss capital market with a legal maturity of ten years and an optional redemption date of four years from the date of issuance. The proceeds from this issuance were used to refinance the first ABS issued in 2012. On 23 March 2015, the TCHF 200,000 senior notes were fully repaid with no further amounts due to noteholders.

On 23 June 2013, the Group launched its second lease asset backed security transaction and issued a fixed-rate senior note of TCHF 200,000 on the Swiss capital market with a legal maturity of ten years and an optional redemption date of three years from the date of issuance. The Group plans to redeem the note after three years, i.e. in June 2016, therefore it is classified as short-term debt.

The facility from the Group's former affiliates consists of a TCHF 500,000 term loan and a TCHF 500,000 revolving credit facility and has been committed for three years from the date of signing (October 2013), with the option for the Group to extend by two additional years. The term loan portion of the facility has a fixed rate for the initial three years and a floating CHF LIBOR plus margin for the remainder. The all-in-rate over the lifetime of the full facility amounts to 1.75%, assuming an undrawn portion of the revolving facility of TCHF 500,000. Available unused credit facilities were TCHF 500,000 both at 30 June 2015 and 31 December 2014, respectively, with an applicable commitment fee of 0.25 %. The balance of accrued interest and commitment fee for this facility was TCHF 1,570 as at 30 June 2015 and TCHF 1,593 as at 31 December 2014.

The bank facility maturing in October 2016 is a three year committed term loan with a fixed rate for the initial two years until October 2015 and a floating CHF LIBOR rate plus margin for the remainder of the term. The Group had a TCHF 150,000 outstanding balance on this facility as at 30 June 2015.

In 2014, the Group signed a TCHF 150,000 fixed rate term loan agreement with a syndicate of Swiss banks for a three year term. As at 30 June 2015, the facility was fully drawn with all tranches maturing in 2017. Additionally in 2014 the Group signed a TCHF 150,000 fixed rate term loan agreement with an international bank for a three year term. As at 30 June 2015, the balance drawn on the facility was TCHF 100,000. The Group expects to draw the remaining funds available under this facility in 2015.

In 2014, the Group signed a TCHF 100,000 bilateral revolving credit facility with a Swiss bank which is committed for a three year term. This facility expires in 2017 and as at 30 June 2015 no balances were drawn. The commitment fee for this facility is 0.25%.

The Group defers the debt issuance costs and amortises them over the expected lifetime of the relevant debt instrument.

9. Pension Plan

The cost of the pension plan is presented below:

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
Service cost for benefits earned	3,464	3,337
Prior service credit amortisation	– 322	– 382
Expected return on plan assets	– 3,006	– 3,282
Interest cost on benefit obligations	1,017	1,790
Net actuarial loss amortisation	2,454	1,274
Pension plan cost	**3,607**	**2,737**

10. Capital Adequacy

The Group is subject to regulation by FINMA. The capital levels of the Group are subject to qualitative judgements by regulators, including FINMA, about the components of capital, risk weightings and other factors.

As of 30 June 2015, the Group adheres to the applicable regulatory requirements for a category IV bank set by FINMA. The Group aims to consistently operate with a capital base that is well above this mark. The Group was adequately capitalised under the regulatory provisions outlined by FINMA and the Bank for International Settlements.

CHF in thousands	**30 June 2015**	**31 December 2014**
ELIGIBLE REGULATORY CAPITAL		
Tier 1 capital	698,815	760,157
of which CET1 capital	698,815	760,157
Tier 2 capital	2,181	1,845
Total eligible capital	**700,996**	**762,002**
RISK-WEIGHTED ASSETS		
Credit risk	3,146,981	3,123,783
Non counterparty risk	28,486	22,358
Market risk	1,947	426
Operational risk	552,700	542,372
Total risk-weighted assets	**3,730,115**	**3,688,939**
CAPITAL RATIOS		
CET1 ratio	18.7 %	20.6 %
Tier 1 ratio	18.7 %	20.6 %
Total capital ratio	18.8 %	20.7 %

11. Earnings Per Share

For the six months ended	30 June 2015	30 June 2014
Net income attributable to shareholders (CHF in thousands) for basic earnings per share	69,638	64,692
Income impact of restricted stock units that will be settled with treasury shares	–	–
Net income attributable to shareholders (CHF in thousands) for diluted earnings per share	69,638	64,692
Weighted-average number of common shares		
Weighted-average number of common shares issued	30,000,000	30,000,000
Less weighted-average number of treasury shares	574,100	39,205
Weighted-average numbers of common shares outstanding for basic earnings per share	**29,425,900**	**29,960,795**
Dilution effect number of shares	33,685	32,249
Weighted-average numbers of common shares outstanding for diluted earnings per share	**29,459,585**	**29,993,044**
Basic earnings per share (in CHF)	**2.37**	**2.16**
Diluted earnings per share (in CHF)	**2.36**	**2.16**

The amount of common shares outstanding has changed as follows:

	30 June 2015	31 December 2014
Common shares issued		
Balance at beginning of period	**30,000,000**	**30,000,000**
Issuance of common shares	–	–
Balance at end of period	**30,000,000**	**30,000,000**
Treasury shares		
Balance at beginning of period	**38,277**	**39,215**
Share based compensation	– 3,499	– 938
Purchase [1]	1,801,801	–
Balance at end of period	**1,836,579**	**38,277**
Common shares outstanding	**28,163,421**	**29,961,723**

[1] *In May 2015, the former shareholder, General Electric Company, sold all its remaining shares of Cembra Money Bank, equivalent to 31.5 % of share capital. In an accelerated book-building process the shares were placed with various institutional investors at a price of CHF 55.50 per share. In this process Cembra Money Bank bought back 1.8 million of its own shares for a total consideration of CHF 100.0 million.*

12. Income Tax Expense

The provision for income taxes is summarised in the table below:

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
Current tax expense	13,438	13,586
Deferred tax expense from temporary differences	5,073	3,998
Income tax expense	**18,511**	**17,584**

Deferred income tax balances reflect the net tax effects of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the carrying amounts for income tax purposes.

Under Swiss law, a resident company is subject to income tax at the federal, cantonal, and communal levels. The federal statutory tax rate is 8.5 %. The cantonal and communal corporation tax rates vary. The Group's effective tax rate for the periods ended 30 June 2015 and 30 June 2014 was approximately 21 %.

Net deferred tax assets amounted to TCHF 8,525 as of 30 June 2015 and TCHF 12,376 as of 31 December 2014, respectively.

The management believes that the realisation of the recognised deferred tax assets is more likely than not based on expectations regarding future taxable income. In assessing the realisability of deferred tax assets, the management considers whether it is more likely than not that a portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Group will realise the benefits of these deductible differences. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are significantly reduced.

The Group has no unrecognised tax benefits. Management believes that there are no uncertain tax positions that would require a reserve.

In connection with the restructuring in 2010 (described in note 1 of the Consolidated Financial Statements for the year ended 31 December 2014) and caused by the sale of 68.3 % of all outstanding shares of the Bank by the former sole shareholder as part of the IPO, the Group was permitted to retroactively recognise tax goodwill in the amount of CHF 168.8 million as at 1 December 2010 for the purposes of Swiss corporate income tax. The amount of tax goodwill and the tax treatment was agreed with the Zurich cantonal tax authority and the Swiss federal tax authority in September 2013. The tax goodwill is amortised for tax purposes over a period of five years, commencing retroactively on 1 December 2010 and ending on 30 November 2015. The aggregate nominal Swiss corporate income tax benefit from the amortisation of the goodwill is expected to be CHF 36.2 million (for the purposes of the US GAAP financial statements, this amount was recognised as an adjustment to shareholders' equity). The tax benefit related to the tax periods 2010 to 2013 and 2014 was CHF 22.7 million and CHF 7.1 million, respectively, and the benefit in respect of the tax year of 2015 is expected to be a residual amount of CHF 6.4 million until full amortisation of the goodwill. As a further consequence of the IPO, the Group had to pay Swiss issuance stamp tax in 2013 amounting to

CHF 7.3 million (before income tax; CHF 5.8 million after income tax).

In May 2015 the former sole shareholder sold all of its remaining shares, therefore the Group is permitted to retroactively recognise additional amortisable tax goodwill of CHF 77.7 million, resulting in an additional nominal tax benefit of CHF 15.5 million (which is recognised as an adjustment to shareholders' equity in the Group's US GAAP financial statements). The tax goodwill is amortised for tax purposes over a period of five years, commencing retroactively on 1 December 2010 and ending on 30 November 2015. Correspondingly, the Group has paid additional Swiss issuance stamp tax of CHF 3.4 million before income tax (CHF 2.7 million after income tax) and capital tax of CHF 0.3 million before income tax.

13. Commitments and Guarantees

The Group's guarantees are provided in the ordinary course of business and are underwritten by considering the economic, liquidity and credit risk of the counterparty.

Swiss banking law and the deposit insurance system require Swiss banks and securities dealers to jointly guarantee an amount of up to CHF 6 billion for privileged client deposits in the event that a Swiss bank or securities dealer becomes insolvent. Upon occurrence of a payout event triggered by a specified restriction of business imposed by FINMA or by the compulsory liquidation of another deposit-taking bank, the Group's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate, the Group's share in the deposit insurance guarantee programme was TCHF 5,452 as at 30 June 2015. The deposit insurance is a guarantee and exposes the Group to additional risk. As at 30 June 2015, the Group considers the probability of a material loss from this obligation to be remote.

Commitments to extend credit lines are agreements to lend to a customer as long as there is no violation of conditions established in the contract. Commitments generally have fixed expiration dates, or other termination clauses. Loan commitments are most often uncollateralised and may be drawn upon up to the total amounts to which the Group is committed.

Total commitment amounts do not necessarily represent future cash requirements as the lines of credit may expire or be terminated without being fully drawn upon. No additional allowance for losses was deemed necessary for these unused commitments since the Group can terminate the lines of credit at any time unilaterally.

CHF in thousands	**30 June 2015**	**31 December 2014**
Ordinary course of business lending commitments	43,957	39,036
Unused revolving loan facilities	59,559	59,824
Unused credit card facilities	2,491,659	2,261,272

14. Financial Instruments

The following table provides information about the assets and liabilities not carried at fair value in the Statement of Financial Position.

The table excludes finance leases and nonfinancial assets and liabilities. For the most part, the assets and liabilities discussed below are considered to be Level 3.

	30 June 2015		31 December 2014	
CHF in thousands	*Carrying amount net*	*Estimated fair value*	*Carrying amount net*	*Estimated fair value*
ASSETS				
Loans	2,670,624	2,720,924	2,635,975	2,684,593
LIABILITIES				
Deposits	– 2,162,506	– 2,286,498	– 1,941,030	– 1,976,162
Borrowings	– 1,749,752	– 1,775,380	– 1,399,701	– 1,410,321
Due to affiliates	–	–	– 500,000	– 512,374

Fair values are estimated as follows:

Loans
Based on a discounted future cash flow methodology, using current market interest rate data adjusted for inherent credit risk or quoted market prices and recent transactions, if available.

Deposits and Borrowings
If no market quotes are available, the calculation is based on a discounted future cash flow methodology, using current effective interest rate data or current market interest rate data that is available to the Group for similar financial instruments.

Due to (former) affiliates
Based on a discounted future cash flow methodology using current effective interest rate data.

Pension Fund
Refer to note 9 of the Consolidated Financial Statements as of and for the years ended 31 December 2014 and 2013 for further details on pension fund.

Asset and liabilities that are reflected in the accompanying financial statements at a carrying value deemed to represent fair value are not included in the above disclosures; such items include cash and equivalents, other assets, accrued expense and other liabilities.

15. Variable Interest Entities

The Group uses variable interest entities to securitise auto lease financing receivables. The financing receivables are originated by the Bank in the ordinary course of business and transferred to the VIEs. The financing receivables in the VIEs have similar risks and characteristics to the Bank's other lease financing receivables and were underwritten to the same standard. Accordingly, the performance of these assets has been similar to the Bank's other lease financing receivables.

The Group completed three securitisations, all through consolidated VIEs, to obtain funding backed by its auto lease receivables. The first securitisation,launched in March 2012, involved the issuance of TCHF 200,000 in senior notes with a maturity in 2015, three years from the date of issuance. This issuance was fully repaid on 23 March 2015. The second securitisation was completed in June 2013, which involved the issuance of TCHF 200,000 in senior notes with an optional redemption of three years from the date of issuance, and with a coupon of 0.576 % per annum. In March 2015, the Group launched its third securitisation transaction and issued fixed-rate senior notes of TCHF 200,000 with a coupon of 0.23% per annum and an optional redemption date of four years from the date of issuance. The proceeds from this issuance were used to refinance the first securitisation.

Third-party holders of the debt issued by the VIEs only have recourse to the financing receivables owned by the VIEs and not to the Bank's general credit. Contractually, the cash flows from these financing receivables must first be used to pay third-party debt holders and other expenses of the VIEs. Excess cash flows are available to the Bank.

The Bank is the servicer of the VIEs and holds the subordinated interests issued by the VIEs. The Bank therefore benefits significantly from the VIEs and hence the VIEs are being consolidated.

The table below summarises the assets and liabilities of the consolidated VIEs described above:

CHF in thousands	**30 June 2015**	**31 December 2014**
ASSETS		
Financing receivables, net	490,778	520,741
Other assets	34,036	50,328
Total assets	**524,815**	**571,070**
LIABILITIES		
Accrued expenses and other payables	198	5,136
Non-recourse borrowings	400,000	400,000
Total liabilities	**400,198**	**405,136**

Revenues from the consolidated VIEs amounted to TCHF 14,622 and TCHF 16,655 for the periods ended 30 June 2015 and 30 June 2014, respectively. Related expenses consisted primarily of provisions for losses of TCHF 123 and TCHF 1,070 and interest expense of TCHF 1,441 and TCHF 1,740 for the periods ended 30 June 2015 and 30 June 2014, respectively. These amounts do not include intercompany revenues and costs, principally fees and interest between the Bank and the VIEs, which are eliminated for consolidation purposes.

16. Related Party Transactions

In May 2015, General Electric Group, the former sole shareholder of the Group, has sold its remaining investment in the Group. From then, General Electric Group is treated as an external party.

Prior to the IPO the General Electric Group and General Electric Capital Corporation ("GECC"), a wholly owned subsidiary of the General Electric Group, provided a variety of products and services to the Group. Following the IPO, the Group entered into the Transitional Service Agreement ("TSA"). Under this agreement, GECC and the Group agreed to provide to each other certain transitional services. In particular, GECC provides the Group with agreed information technology, support and access rights and other operational services that were provided by GECC prior to the IPO and that are necessary for the Group to run as a standalone business for a transitional period during which the Group will be establishing its own information technology systems. The Group also provides certain limited reverse services to GECC. The Group's total expense for these services was TCHF 3,372 for the period ended 30 June 2014.

The total commission income recognised for additional payment protection insurance (which covers the customer's monthly loan payment in the event of unemployment, accident or sickness) was TCHF 1,063 for the period ended 30 June 2014. The Group acts as an intermediary between the customers and the former affiliated service provider Lighthouse General Insurance Company Limited. The Group had a net receivable of TCHF 823 related to the settlement of the services described above as at 31 December 2014.

17. Interest Income

The details of interest income are shown below:

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
Personal loans	103,719	106,026
Auto leases and loans	42,940	43,895
Credit cards	21,846	18,713
Other	– 1,455	216
Total	**167,050**	**168,850**

18. Interest Expense

The details of interest expense are shown below:

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
Interest expense on ABS	1,732	2,226
Interest expense on deposits	8,404	7,138
Interest expense on debt [1]	9,651	11,124
Total	**19,787**	**20,488**

[1] *Includes former affiliated interest expense in the amount of TCHF 3,034 and TCHF 4,667 for the periods ended 30 June 2015 and 30 June 2014, respectively.*

19. Commission and Fee Income

The details of commission and fee income are shown below:

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
Insurance	10,743	10,664
Credit cards	26,994	21,499
Personal loans and other	5,264	5,354
Total	**43,001**	**37,517**

20. General and Administrative Expenses

The details of general and administrative expenses are shown below:

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
GECC assessment / TSA [1]	1,218	3,372
Professional services	5,298	6,804
Marketing [2]	4,607	2,886
Collection fees	3,308	3,091
Postage and stationery	3,910	4,313
Rental expense under operating leases	2,785	2,887
Depreciation and amortisation	1,770	1,126
Information Technology	6,724	5,563
Other [3]	2,926	4,706
Total	**32,548**	**34,748**

1 *GECC assessment was replaced by a TSA starting 1 November 2013.*
2 *Marketing includes advertising costs, which are expensed as incurred.*
3 *The period ended 30 June 2014 included a provision of TCHF 3,000 related to costs of an investigation initiated by FINMA.*

21. Supplemental Cash Flow Information

Certain supplemental information related to cash flows is shown below:

For the six months ended (CHF in thousands)	**30 June 2015**	**30 June 2014**
Increase in loans to customers	– 852,071	– 876,163
Principal collections from customers – loans	841,563	829,787
Investment in equipment for financing leases	– 359,802	– 422,314
Principal collections from customers – financing leases	363,995	382,407
Net change in credit card receivables	– 43,278	– 53,671
Net increase in financing receivables	**– 49,593**	**– 139,955**

22. Subsequent Events

The Group has evaluated subsequent events from the financial position date through 18 August 2015, the date at which the financial statements were available to be issued.

The Group executed a final prepayment of TCHF 150,000 on the IPO bridge facility resulting in the facility being fully repaid as at 1 July 2015.

The Group signed a new TCHF 100,000 revolving facility with a Swiss based bank which became effective as of 14 July 2015. The facility is fully committed for a three year term.

Furthermore, the Group made a repayment of TCHF 200,000 on the TCHF 500,000 term loan from the General Electric Group. As at 22 July 2015, the outstanding balance on this facility was TCHF 300,000. The Group also reduced the TCHF 500,000 revolving credit facility available from the General Electric Group by TCHF 200,000. The remaining commitment under the revolving credit facility was TCHF 300,000 as at 22 July 2015.

Publisher: Cembra Money Bank AG, Zurich
Design: Cembra Money Bank AG, Zurich
Photography: Giuliano di Marco, Zurich, and Kurt Schorrer, Dübendorf
Production: Neidhart + Schön AG, Zurich

This report also appears in German. In the event of inconsistencies between the English or German version of the half-year report, the original English version prevails.

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