HALF-YEAR REPORT

CEMBRA MONEY BANK AG

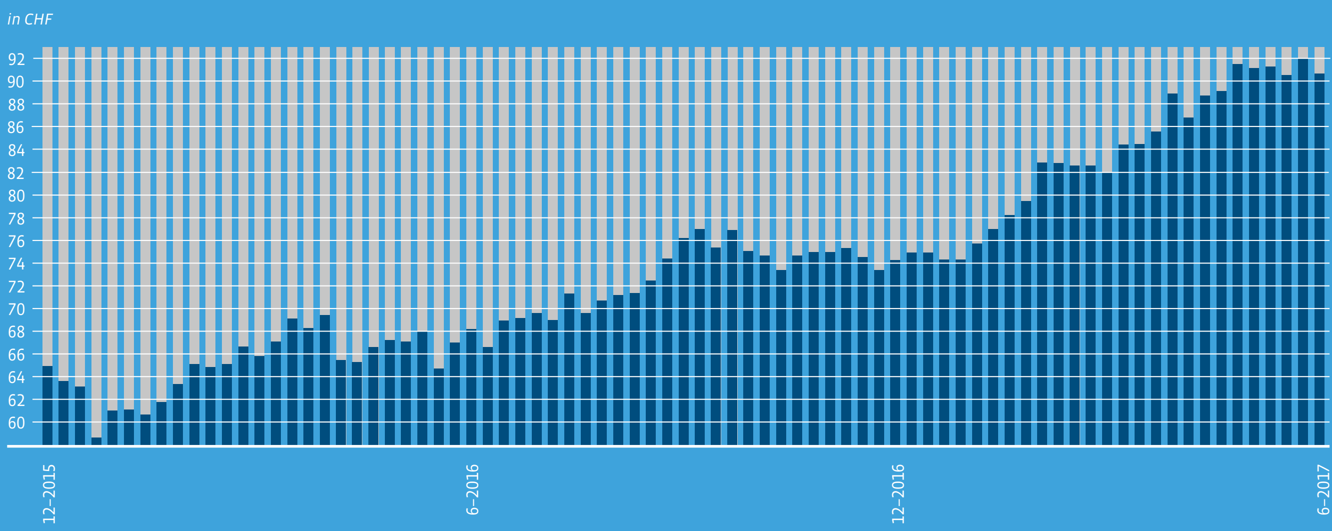
2017

Group Report

Key Figures

CHF in millions	**H1'17**	H1'16	H2'16
Net interest income	**138.6**	150.3	147.5
Commission and fee income	**53.8**	47.1	49.1
Net revenues	**192.3**	197.4	196.6
Provision for losses	**– 21.1**	–21.7	–22.9
Total operating expenses	**– 83.3**	– 84.8	–82.8
Net income	**69.4**	71.8	71.9
Cost / income ratio (in %)	**43.3 %**	42.9 %	42.1 %
Net interest margin (in %)	**6.7 %**	7.3 %	7.1 %
Total assets	**4,907**	4,649	4,857
Net financing receivables	**4,171**	4,100	4,073
Personal loans	**1,738**	1,756	1,720
Auto leases and loans	**1,658**	1,670	1,641
Cards	**772**	673	711
Other	**3**	–	–
Shareholders' equity	**794**	779	848
Return on average shareholders' equity (ROE in %)	**16.9 %**	18.2 %	17.7 %
Tier 1 capital ratio (in %)	**20.2 %**	20.1 %	20.0 %
Employees (full-time equivalent; 2017 incl. Swissbilling)	**715**	702	705
Credit rating (S & P)	**A –**	A –	A –
Basic earnings per share (in CHF)	**2.46**	2.55	2.55
Book value per share (in CHF)	**26.47**	25.97	28.27
Share price (in CHF)	**90.70**	68.15	74.20
Market capitalisation	**2,721**	2,045	2,226

Share price: Cembra Money Bank AG



Letter to Shareholders
Dear Shareholders

It is our pleasure to inform you about another solid first six months of the year for Cembra Money Bank. We achieved a net income of CHF 69.4 million and an annualised return on equity of 16.9 % despite headwinds. All our products contributed positively to the 2 % growth of our net financing receivables to CHF 4.2 billion. We remain strongly capitalised with a Tier 1 capital ratio of 20.2 % and expect another set of solid results for the full-year 2017.

In the first half-year 2017 we achieved a net income of CHF 69.4 million representing earnings per share of CHF 2.46. The result was fully in-line with the guidance provided at the beginning of the year. The annualised return on average equity (ROE) was 16.9 % which is above our 15 % medium-term target. Net revenues decreased by 3 % to CHF 192.3 million driven by an 8 % lower net interest income of CHF 138.6 million which was down due to the impact from the introduction of the lower interest rate caps. Commission and fee income conversely was 14 % higher at CHF 53.8 million mainly due to the strong performance in the credit cards business. Our prudent risk management approach was reflected in low provisions for losses of CHF 21.1 million, equivalent to a loss rate of 1.0 % of financing receivables. Delinquency metrics in our portfolio remained stable with a non-performing loan ratio of 0.4 %. Operating expenses were well controlled with a decline of 2 % to CHF 83.3 million translating into a cost / income ratio of 43.3 %.

All products contributed to financing receivables growth

With net financing receivables increasing by 2 % to CHF 4,171 million, the Bank outperformed Swiss GDP growth in the first six months of 2017. Receivables in the personal loans business increased by 1 % to CHF 1,738 million despite a challenging market environment. Revenues reduced by 15 % due to the introduction of the interest rate caps effective since 1 July 2016. The Swiss auto market was stable in the first six months of 2017. The Swiss auto market was stable in the first six months of 2017. While new car registrations increased by 1 %, the market for used cars was flat. In-line with the market trend net financing receivables in the auto leases and loans business increased by 1 % to CHF 1,658 million. Net financing receivables in credit cards again recorded a strong growth of 9 % reaching CHF 772 million by end-June 2017. The number of credit cards issued by Cembra Money Bank increased by 6 % to circa 768,000. Commission and fee income in the credit cards business increased by 16 % as a result of the increased credit card portfolio, higher average spending and increase in the number of transactions.

Strong balance sheet position

The overall funding mix remained stable with 59 % retail and institutional deposits and 41 % debt as we continued to optimise our funding portfolio in-line with our strategy. The average remaining maturity of the portfolio was increased and the average funding cost was reduced to about 62 basis points. In June 2017 the Bank successfully raised CHF 150 million through a senior unsecured bond with a coupon of 0.375 % and eight year maturity.

Shareholders' equity decreased by 6 % to CHF 794 million by the end of June 2017 as a result of dividend payments totalling CHF 125.5 million in May 2017. With a Tier 1 capital ratio of 20.2 % and a leverage ratio of 15.6 % we remain very well capitalised. Compared to our internal Tier 1 target of at least 18 %, we have CHF 83 million of excess capital.

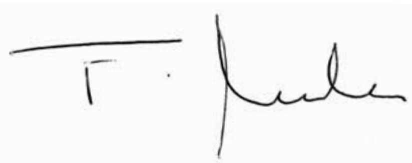
Developing the business

In the past six months we made further steps in shaping the future of our business. Beginning of March 2017, we closed the acquisition of Swissbilling, an invoice financing provider. In the first six months of 2017 Swissbilling financed about 190,000 invoices with a volume of circa CHF 23 million. On 1 June 2017 the new credit card generation for the Cumulus Mastercard went live after having renewed the Migros cooperation agreement for another five years last autumn. In July 2017, we signed an agreement to refinance a CHF 42 million personal loan portfolio from eny Finance, a pure online personal loan provider.

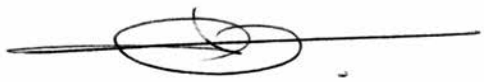
Guidance for full-year 2017 confirmed

The Bank confirms the guidance provided in February 2017 with earnings per share between CHF 4.70 and CHF 5.00 for the full-year 2017. Lower net interest income following the introduction of the rate caps in July 2016 should be partially offset by the continued growth in the credit cards business. Loss performance is expected to be in-line with prior years. A slightly higher cost/income ratio for the full-year 2017 is expected as we continue to invest in the digitisation of the business.

On behalf of the Board of Directors and Management we would like to thank our customers, shareholders and business partners for the trust they have placed in us. We would also like to express our particular gratitude to our employees, who shape the success of our Bank with their expertise, dedication and engagement.



Dr. Felix Weber
Chairman of the Board of Directors



Robert Oudmayer
Chief Executive Officer

Management Discussion and Analysis

Management Discussion and Analysis of Financial Condition and Results of Operations

Significant Developments

On 17 February 2017, Cembra Money Bank AG (hereafter referred as "the Bank", together with its subsidiaries, "the Group") announced the acquisition of 100 % of the shares of Swissbilling SA. Swissbilling is a Swiss-based invoice financing company with operations mainly in the French speaking region of Switzerland.

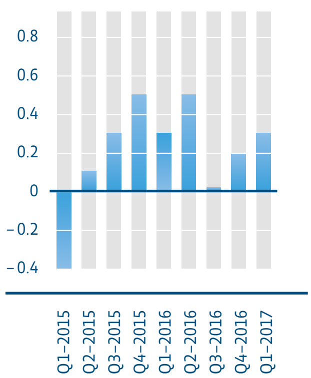
On 26 April 2017, the Bank held its fourth General Meeting of Shareholders as a SIX listed company in Zurich. All agenda items were approved including a total dividend payment of CHF 125.5 million, or CHF 4.45 per share. All members of the Board of Directors were re-elected for a further one-year term of office.

On 27 April 2017, the credit rating agency Standard & Poor's reaffirmed the Bank's "A–" long-term counterparty credit rating with a stable outlook.

On 1 June 2017, the Bank successfully placed a CHF 150 million senior unsecured bond with a maturity of eight years (2017 – 2025) and a coupon of 0.375 %.

Quarterly Swiss GDP

Change vs previous quarter (in %)



Source: SECO

Macroeconomic Environment

The Group operates in Switzerland and its financial position and results of operations are strongly influenced by domestic macroeconomic factors, notably, economic trends and interest rates. The Group only has very limited exposure to foreign currencies.

Gross Domestic Product Switzerland

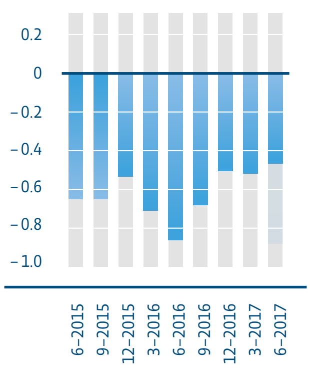
The development of the Swiss Gross Domestic Product ("GDP") is a key indicator for the Group. Switzerland's GDP expanded 0.3 % in the first quarter 2017 and economists expect about 1.5 % GDP growth for the full-year 2017.

Interest Rates

As of 30 June 2017, the yield curve has steepened on the back of higher interest rates in the United States and the latest comments by the European Central Bank that they may stop quantitative easing. The Swiss National Bank wants to maintain the interest rate differential between the Eurozone and Switzerland. Unless the European Central Bank reduces its bond buying program, short term interest rates are expected to remain in negative territory in Switzerland for the time being. On the one hand low interest rates enabled the Group to raise new funds at favourable conditions and to reduce its overall cost of funding. On the other hand this led to price pressure on some of the product lines and generated additional

CHF 3-year Swap Rate

in %



Source: Bloomberg

cost from the negative interest rate on the cash held with the Swiss National Bank and other institutions.

Unemployment Rate

The unemployment rate in Switzerland remained unchanged at a relatively low level with 3.0% in June 2017 compared to 3.5% in December 2016 and 3.1% in June 2016.

Product Markets

Consumer Loan Market

The Group estimates that the Swiss consumer loan market increased slightly in the first half-year 2017. This would mark the first increase after a long period of market contraction. The Group was able to keep its market share in the consumer loan market stable despite a challenging environment.

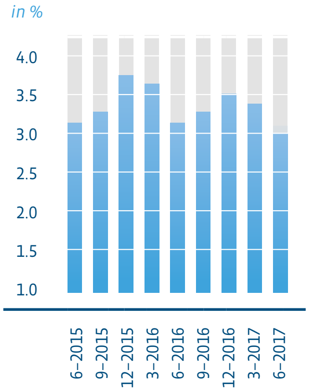
Auto Market

The Swiss auto market was stable for the first six months of 2017. According to "auto-schweiz" statistics (association of official Swiss car importers) about 159,000 new cars were registered in the first six months of 2017, a slight increase of 1% versus the first six months of 2016. Additionally, 442,000 used cars were sold in Switzerland according to "Eurotax Schweiz" (independent provider of automotive market data); which is unchanged versus the same period in 2016. Overall, used cars accounted for 60% of the Group's auto lease and loan portfolio and new cars for 40%.

Credit Card Market

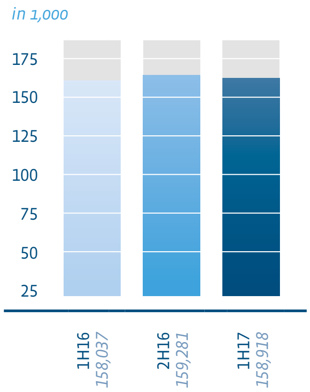
The growth trend continued in the credit card market in the first half-year 2017. Based on Swiss National Bank statistics, the number of issued credit cards in Switzerland grew by an estimated 2% to about 6.5 million in the first six months of 2017. Transactions conducted via Near Field Communication ("NFC") gained further momentum. Circa 92% of all credit cards in Switzerland are now equipped with an NFC chip and circa 22% of all domestic transactions were initiated contactless in the first half-year 2017. The Group's credit card business continued to outgrow the market with the number of cards up by 6% to about 768,000 compared to year-end 2016. The Group's market share slightly increased from 11% to 12%.

Unemployment Rate (Switzerland)



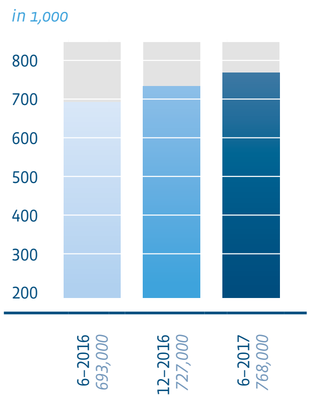
Source: SECO

New Car Registrations in Switzerland



Source: auto-schweiz

Number of Issued Cembra Credit Cards



Results of Operations

Balance Sheet Analysis

CHF in millions	30 June 2017	31 December 2016	Variance	in %
Assets				
Cash and cash equivalents	613	669	– 56	– 8
Net financing receivables	4,171	4,073	98	2
Personal loans	1,738	1,720	18	1
Auto leases and loans	1,658	1,641	17	1
Credit cards	772	711	61	9
Other	3	–	3	–
Financial investments	12	12	–	–
Other assets	111	104	7	7
Total assets	**4,907**	**4,857**	**50**	**1**
Liabilities and equity				
Deposits and debt	3,977	3,874	103	3
Deposits	2,356	2,355	1	0
Debt	1,621	1,520	101	7
Other liabilities	136	135	1	1
Total liabilities	**4,113**	**4,009**	**104**	**3**
Shareholders' equity	794	848	– 54	– 6
Total liabilities and shareholders' equity	**4,907**	**4,857**	**50**	**1**

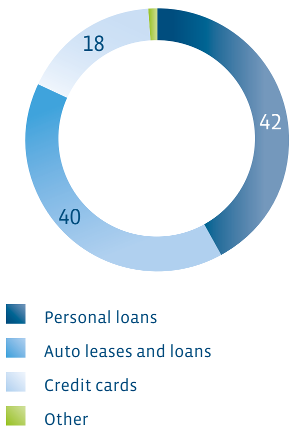
Net Financing Receivables

Net financing receivables amounted to CHF 4,171 million as at 30 June 2017, an increase of 2 %, or CHF 98 million, compared to year-end 2016. At the end of June 2017 the Group's personal loans accounted for 42 %, auto leases and loans made up for 40 % and credit cards accounted for 18 % of the net financing receivables.

As at 30 June 2017, receivables from personal loans were 1 % higher at CHF 1,738 million compared to year-end 2016. Auto leases and loans receivables grew by 1 % to CHF 1,658 million compared to CHF 1,641 million at the end of 2016. Credit cards receivables increased by 9 % from CHF 711 million as at year-end 2016 to CHF 772 million. Other net financing receivables of CHF 3 million included the Swissbilling business which was acquired in February 2017.

Net Financing Receivables

in %

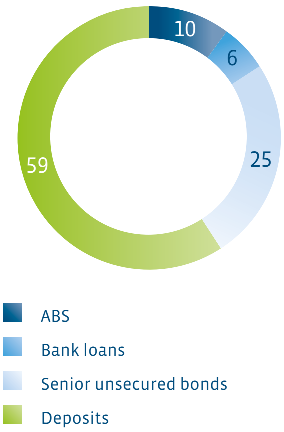


Funding

The Group maintained its funding diversification in the first half-year of 2017. The deposits base slightly increased from CHF 2,355 million to CHF 2,356 million as at 30 June 2017. While the institutional deposit base was 2 % higher at CHF 1,443 million, retail deposits decreased by 3 % to CHF 913 million. The Group's debt (excluding deposits) increased by 7 % from CHF 1,520 million as at 31 December 2016 to CHF 1,621 million. The Group returned to the capital markets in June 2017 and raised an additional CHF 150 million through an unsecured bond with an eight year maturity (2017 – 2025) at favourable conditions. Overall, the focus was to further optimise the funding cost whilst extending the overall maturity profile of the book and limiting future maturity concentration.

Funding Structure

in %



Equity

Total shareholders' equity reduced by CHF 54 million from CHF 848 million to CHF 794 million at 30 June 2017. The decrease was mainly attributable to the payments of dividends (both ordinary and extraordinary) of CHF 125.5 million in May 2017 which was partially offset by the in-year net income of CHF 69.4 million for the first six months of 2017.

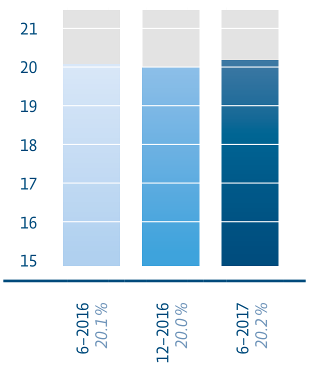
Capital Position

CHF in millions	**30 June 2017**	**31 December 2016**	**Variance**	**in %**
Risk-weighted assets	3,840	3,758	83	2
Tier 1 capital	775	753	22	3
Tier 1 ratio (in %)	20.2 %	20.0 %		

Risk-weighted assets increased by 2 % to CHF 3,840 million as per 30 June 2017 compared to CHF 3,758 million as per 31 December 2016. This increase is in-line with the development of net financing receivables. The Tier 1 capital increased by CHF 22 million, or 3 %, to CHF 775 million mainly as a result of the net income generated in the first six months of 2017 adjusted for expected future ordinary dividend payments. This resulted in a Tier 1 ratio of 20.2 % as per 30 June 2017 which is significantly above the regulatory requirement of 11.2 % and the Group's target of at least 18.0 %.

Tier 1 Capital Ratio

in %

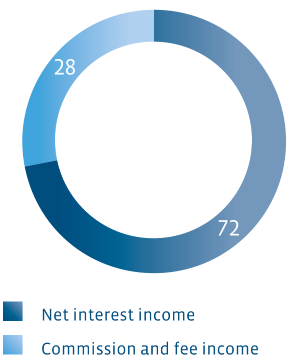


Profit and Loss Analysis

For the six months ended (CHF in millions)	**30 June 2017**	**30 June 2016**	**Variance**	**in %**
Interest income	151.1	164.5	– 13.4	– 8
Interest expense	– 12.6	– 14.2	– 1.6	– 11
Net interest income	**138.6**	**150.3**	**– 11.7**	**– 8**
Commission and fee income	53.8	47.1	6.7	14
Net revenues	**192.3**	**197.4**	**– 5.1**	**– 3**
Provision for losses on financing receivables	**– 21.1**	**– 21.7**	**– 0.6**	**– 3**
Compensation and benefits	– 50.7	– 49.9	0.8	2
General and administrative expenses	– 32.6	– 34.9	– 2.3	– 7
Total operating expenses	**– 83.3**	**– 84.8**	**– 1.5**	**– 2**
Income before income taxes	**87.9**	**90.9**	**– 3.0**	**– 3**
Income tax expense	– 18.5	– 19.1	– 0.6	– 3
Net income	**69.4**	**71.8**	**– 2.4**	**– 3**
Other comprehensive gain / (loss)	2.7	2.5	0.2	8
Comprehensive income	**72.1**	**74.4**	**– 2.3**	**– 3**

Net Revenues

in %



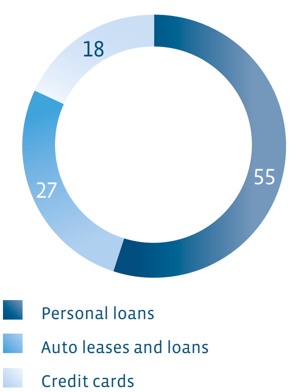
Interest Income

For the six months ended (CHF in millions)	**30 June 2017**	**30 June 2016**	**Variance**	**in %**
Personal loans	84.2	98.7	– 14.5	– 15
Auto leases and loans	41.4	41.8	– 0.4	– 1
Credit cards	27.2	25.0	2.2	9
Other	– 1.7	– 1.0	– 0.7	70
Total	**151.1**	**164.5**	**– 13.4**	**– 8**

Overall, the contribution of personal loans to interest income reduced from 60% to 55 %, the relative weight of auto leases and loans increased to 27 % from 25 % whilst the weight of credit cards rose to 18 % from 15 % in the prior year's period.

Interest Income

in % (excluding "other")



Interest income reduced by 8 %, or CHF 13.4 million, to CHF 151.1 million in the first half-year of 2017 in-line with expectations. Other interest income included CHF 1.7 million expenses from the negative interest rate on the cash held with the Swiss National Bank and other institutions. Interest income from personal loans decreased by CHF 14.5 million, or 15 %, to CHF 84.2 million following the introduction of the new rate cap as of 1 July 2016 and subsequent reduction in pricing. Consequently the yield reduced to 9.6 %. Interest income from the Group's auto leases and loans decreased by CHF 0.4 million, or 1 %, from CHF 41.8 million to CHF 41.4 million in the first six months of 2017. The yield remained stable at 5.0 %. Conversely, interest income from credit cards increased by CHF 2.2 million, or 9 %, to CHF 27.2 million in the corresponding period in 2017. The increase was primarily due to higher levels of credit card receivables as a result of an increase in credit card volumes and in the number of credit cards issued. The yield reduced to 7.3 %.

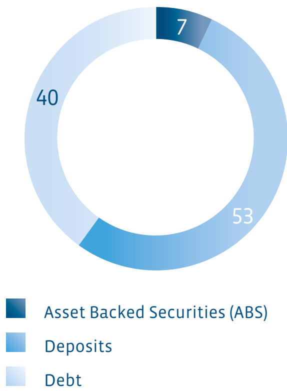
Cost of Funds

For the six months ended (CHF in millions)	**30 June 2017**	**30 June 2016**	**Variance**	**in %**
Interest expense on ABS	0.9	1.3	– 0.4	– 31
Interest expense on deposits	6.7	7.6	– 0.9	– 12
Interest expense on debt	5.0	5.4	– 0.4	– 7
Total	**12.6**	**14.2**	**– 1.6**	**– 11**

The Group's overall cost of funds decreased by CHF 1.6 million, or 11 %, from CHF 14.2 million in the first half-year 2016 to CHF 12.6 million in the first half-year 2017. Interest expense on auto lease ABS decreased by 31 % to CHF 0.9 million following the refinancing of the 2013 ABS in 2016 at more attractive conditions (coupon of 0.22 %). Interest expense on deposits decreased by 12 % to CHF 6.7 million as a result of favourable market conditions and repricing of the deposit portfolio at lower rates. The total interest expense on debt decreased by CHF 0.4 million, or 7 %, from CHF 5.4 million to CHF 5.0 million in June 2017 as we continued to benefit from favorable market conditions.

Cost of Funds

in %



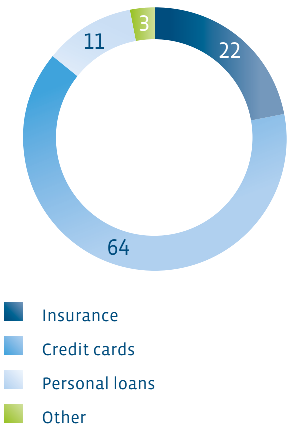
Commission and Fee Income

For the six months ended (CHF in millions)	30 June 2017	30 June 2016	Variance	in %
Insurance	11.9	12.0	– 0.1	– 1
Credit cards	34.5	29.7	4.8	16
Loans and leases	6.0	5.2	0.8	15
Other	1.4	0.3	1.1	367
Total	**53.8**	**47.1**	**6.7**	**14**

The Group's commission and fee income increased by CHF 6.7 million, or 14 %, from CHF 47.1 million in the first half-year 2016 to CHF 53.8 million. The increase was mainly due to higher fee income on credit cards of 16 % or CHF 4.8 million. The reduction in domestic interchange fees, however, was more than compensated by higher volume. Other includes in the first half-year 2017 the fee income from the newly incorporated Swissbilling.

Commission and Fee Income

in %



Provision for Losses on Financing Receivables

For the six months ended (CHF in millions)	30 June 2017	30 June 2016	Variance	in %
Provision for losses on personal loans	13.7	15.4	– 1.7	– 11
Provision for losses on auto leases and loans	4.1	2.8	1.3	47
Provision for losses on credit cards	3.1	3.5	– 0.4	– 11
Provision for losses on others	0.3	–	0.3	n / a
Total	**21.1**	**21.7**	**– 0.6**	**– 3**

The Group's provision for losses on financing receivables decreased by CHF 0.6 million to CHF 21.1 million in the first half-year 2017 compared to CHF 21.7 million in the same period 2016. Provision for losses on personal loans decreased by CHF 1.7 million as write offs improved compared to the same period last year. On auto leases and loans however the provision for losses increased by CHF 1.3 million driven by both slightly higher write offs and a related increase in the allowance for losses. The main driver behind this change is a shift between consumer and product segments in this portfolio. Provision for losses on credit cards decreased by CHF 0.4 million as the allowance for losses decreased. The Group's loss rate for the first half-year 2017 was 1.0 % of financing receivables compared to 1.1 % in the first half-year 2016 and hence in-line with prior years' performance.

Compensation and Benefits

For the six months ended (CHF in millions)	30 June 2017	30 June 2016	Variance	in %
Compensation and benefits	**50.7**	**49.9**	**0.8**	**2**

The Group's compensation and benefits expense in the first half-year 2017 increased by CHF 0.8 million, or 2 %, to CHF 50.7 million. The increase in cost was primarily due to a higher number of headcount after the acquisition of Swissbilling (14 FTEs). The average number of employees (full-time equivalent, FTE) was 710 compared to 709 in the corresponding prior year period.

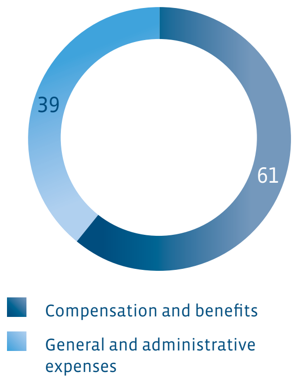
General and Administrative Expenses

For the six months ended (CHF in millions)	30 June 2017	30 June 2016	Variance	in %
Professional services	5.3	3.9	1.4	36
Marketing	3.3	5.0	– 1.7	– 34
Collection fees	2.9	3.1	– 0.2	– 6
Postage and stationery	4.3	4.2	0.1	2
Rental expense under operating leases	2.2	3.1	– 0.9	– 29
Depreciation and amortisation	4.2	3.9	0.3	8
Information technology	10.8	11.5	– 0.7	– 6
Other	– 0.5	0.1	– 0.6	n / a
Total	**32.6**	**34.9**	**– 2.3**	**– 7**

The Group's general and administrative expenses decreased by CHF 2.3 million, or 7 %, from CHF 34.9 million to CHF 32.6 million in the first six months 2017. Costs from professional services of CHF 5.3 million increased by 36 %, or CHF 1.4 million, due to continued focus on digitising and simplifying the business. Marketing expenses were 34 % or CHF 1.7 million lower in 2017 as there was a large-scale advertising campaign in 2016. Collection costs were reduced by 6 %, or CHF 0.2 million, to CHF 2.9 million due to changes in the fee structure. Cost for postage and stationery increased by 2 %, or CHF 0.1 million, to CHF 4.3 million mainly due to additional costs driven by the newly acquired company. The decrease in rental expenses by 29 %, or CHF 0.9 million, to CHF 2.2 million is related to the closure of branches in 2016. Information technology costs of CHF 10.8 million were 6 % lower driven lower running costs and one-off project related benefits. Depreciation and amortisation was higher due to costs related to the acquisition of Swissbilling. Other included non-recurring costs of CHF 0.6 million in the first half-year of 2016. The cost/income ratio was 43.3 % in 2017 compared to 42.9 % in the first half-year 2016.

Operating Expenses

in %



Income Tax Expense

For the six months ended (CHF in millions)	30 June 2017	30 June 2016	Variance	in %
Income tax expense	**18.5**	**19.1**	**– 0.6**	**– 3**

The Group's effective tax rate in both periods was unchanged at approximately 21 %, which was in-line with the statutory tax rate resulting from the combination of federal, cantonal and communal corporation taxes in Switzerland. The Group's income tax expense decreased by CHF 0.6 million, or 3 %, from CHF 19.1 million in the first half-year 2016 to CHF 18.5 million as a result of the lower income before income taxes.

Interim Condensed Consolidated Financial Statements (Unaudited)

Interim Condensed Consolidated Statements of Income (Unaudited)

For the six months ended (CHF in thousands)	**Notes**	**30 June 2017**	**30 June 2016**
Interest income	19	151,130	164,488
Interest expense	20	– 12,563	– 14,233
Net interest income		**138,568**	**150,255**
Commission and fee income	21	53,758	47,142
Net revenues		**192,325**	**197,397**
Provision for losses on financing receivables	**3**	**– 21,126**	**– 21,698**
Compensation and benefits		– 50,708	– 49,886
General and administrative expenses	22	– 32,554	– 34,868
Total operating expenses		**– 83,262**	**– 84,754**
Income before income taxes		**87,937**	**90,945**
Income tax expense	14	– 18,509	– 19,099
Net income		**69,428**	**71,846**
Earnings per share			
Basic	13	2.46	2.55
Diluted	13	2.46	2.55

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 2017**	**30 June 2016**
Net income	69,428	71,846
Amortisation of prior service cost	– 168	– 168
Amortisation of actuarial loss	2,844	2,685
Unrealised gains / (losses) on investment securities	13	–
Total other comprehensive gain / (loss)	2,689	2,517
Comprehensive income	**72,117**	**74,363**

See accompanying Notes to the Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Financial Position (Unaudited)

CHF in thousands	Notes	30 June 2017	31 December 2016
ASSETS			
Cash and cash equivalents		612,895	668,948
Financing receivables, net	3	4,171,446	4,072,617
Investment securities	4	11,863	11,961
Property, plant and equipment, net	5	4,608	4,912
Intangible assets, net	6	24,078	23,379
Goodwill	7	3,799	–
Other assets	8	70,927	67,161
Deferred income taxes	14	7,520	8,119
Total assets [1]		**4,907,136**	**4,857,097**
LIABILITIES AND EQUITY			
Deposits	9	2,356,134	2,354,569
Accrued expenses and other payables		95,162	91,967
Short-term debt	10	499,952	449,894
Long-term debt	10	1,121,178	1,069,868
Other liabilities		40,684	42,601
Total liabilities [1]		**4,113,110**	**4,008,899**
Common shares		30,000	30,000
Additional paid in capital (APIC)		293,456	390,931
Treasury shares		– 101,004	– 100,385
Retained earnings		602,387	561,154
Accumulated other comprehensive loss (AOCI)		– 30,813	– 33,501
Total shareholders' equity		**794,026**	**848,198**
Total liabilities and shareholders' equity		**4,907,136**	**4,857,097**

[1] *The Group's consolidated assets as at 30 June 2017 and 31 December 2016, include total assets of TCHF 484,642 and TCHF 487,550 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 2017 and 31 December 2016 include liabilities of the VIEs of TCHF 398,530 and TCHF 398,238 respectively, 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	Total equity
Balance at 1 January 2016	**30,000**	**– 100,093**	**485,351**	**417,448**	**– 33,358**	**799,348**
Net income	–	–	–	71,846	–	71,846
Dividends paid	–	–	– 94,464	–	–	– 94,464
Change in APIC due to share based compensation	–	–	– 165	–	–	– 165
Treasury shares	–	–	–	–	–	–
Reclassifications from accumulated other comprehensive loss net of deferred tax of –669 [1]	–	–	–	–	2,517	2,517
Balance at 30 June 2016	**30,000**	**– 100,093**	**390,723**	**489,294**	**– 30,841**	**779,083**
Balance at 1 January 2017	**30,000**	**– 100,385**	**390,931**	**561,154**	**– 33,501**	**848,198**
Net income	–	–	–	69,428	–	69,428
Dividends paid	–	–	– 97,276	– 28,196	–	– 125,471
Change due to share based compensation	–	824	– 199	–	–	625
Treasury shares	–	– 1,443	–	–	–	– 1,443
Reclassifications from accumulated other comprehensive loss net of deferred tax of –711 [1]	–	–	–	–	2,676	2,676
Unrealised gains / losses on available-for-sale debt securities, net of deferred tax of –3	–	–	–	–	13	13
Balance at 30 June 2017	**30,000**	**– 101,004**	**293,456**	**602,387**	**– 30,813**	**794,026**

[1] *Reclassifications from accumulated other comprehensive loss related to the Group's benefit plan obligation 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 2017	30 June 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		69,428	71,846
Adjustments to reconcile net income to cash provided from operating activities:			
Provision for losses on financing receivables		21,126	21,698
Deferred income taxes		– 399	9
Depreciation		612	734
Amortisation of intangible assets		3,609	3,194
Decrease (–) / Increase in accrued expenses		3,195	– 1,021
Decrease / Increase (–) in tax receivables		– 13,825	– 21,997
Decrease / Increase (–) in other receivables		6,074	948
All other operating activities		2,625	3,659
Net cash provided by operating activities		**92,446**	**79,070**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net change in financing receivables	23	– 119,954	– 58,247
Additions to property, plant and equipment		– 308	– 209
Decrease / Increase (–) in restricted cash		3,129	17,072
Additions to intangible assets		– 8,087	– 1,264
All other investing activities		78	0
Net cash used in investing activities		**– 125,142**	**– 42,649**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net change in deposits		1,564	77,523
Issuance of non-recourse long-term borrowings		–	199,285
Issuance of long-term debt		150,948	–
Repayments of non-recourse borrowings		–	– 200,000
Repayments of short-term and long-term debt		– 50,000	– 150,000
Dividends paid		– 125,471	– 94,464
Purchase of treasury shares		– 1,443	–
All other financing activities		1,046	– 354
Net cash used in financing activities		**– 23,357**	**– 168,010**
Net increase / decrease (–) in cash and cash equivalents		**– 56,053**	**– 131,588**
CASH AND CASH EQUIVALENTS			
Beginning of the period		668,948	572,440
End of period		**612,895**	**440,852**
SUPPLEMENTAL DISCLOSURE			
Interest paid		– 10,638	– 12,354
Income taxes paid		– 32,659	– 39,065

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 in liquidation, Swiss Auto Lease 2013-1 GmbH, Swiss Auto Lease 2015-1 GmbH, Swiss Auto Lease 2016-1 GmbH and Swissbilling SA (collectively "the Group").

The accompanying unaudited Interim 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 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 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 2016 and 2015.

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 2017 and beyond actual conditions could alter, 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. The numbers published in the notes are rounded in thousands of Swiss Francs, therefore rounding differences can occur.

2. Accounting Changes

On 18 February 2015, the FASB issued ASU 2015-02 "Consolidation (Topic 810): Amendments to the Consolidation Analysis", 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 Group adopted this standard as of 1 January 2016. There was no material impact on the Group's financial statements due to adoption of this ASU.

On 7 April 2015, the FASB issued ASU 2015-03 "Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs", 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 continue to be reported as interest expense. The Group adopted this standard as of 1 January 2016. There was no material impact on the Group's financial statements due to adoption of this ASU.

Recently issued accounting standards to be effective in future periods

On 5 January 2016, the FASB issued ASU 2016-01 "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" which makes limited amendments to the guidance on the classification and measurement of financial instruments. The new standard significantly revises an entity's accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The new standard is effective for fiscal years beginning after 15 December 2017, including interim periods therein. The Group is currently evaluating the impact of this new standard on its financial statements.

On 25 February 2016, the FASB issued ASU 2016-02 "Leases (Topic 842)", which introduces material changes to lease accounting. The guidance requires lessees to recognise most leases on their balance sheets. The guidance also eliminates today's real estate-specific provisions and changes the guidance on sale-leaseback transactions, initial direct costs and lease executory costs for all entities. For lessors, the standard modifies the classification criteria and the accounting for sales-type and direct financing leases. All entities will classify leases to determine how to recognize lease-related revenue and expense. Classification will continue to affect amounts that lessors record on the balance sheet. The standard is effective for annual periods beginning after 15 December 2018, and interim periods within those years. The Group is currently evaluating the impact of this new standard on its financial statements.

On 14 April 2016, the FASB issued ASU 2016-10 "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing" that clarifies guidance related to identifying performance obligations and licensing implementation guidance contained in the new revenue recognition standard. The effective date and transition requirements for the amendments in this ASU are the same as the effective date and transition requirements in Topic 606 (and any other Topic amended by ASU 2014-09). On 12 August 2015, the FASB issued ASU 2015-14, which defers the effective date of the Board's revenue standard, ASU 2014-09, by one year for all entities. The standard is effective for annual reporting periods beginning after 15 December 2017, including interim reporting periods within those periods. Early adoption is permitted as of 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.

On 16 June 2016, the FASB issued ASU 2016-13 "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which amends the guidance on the impairment of financial instruments. The ASU adds to US GAAP an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses. The ASU is also intended to reduce the complexity of US GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments. The standard is effective for annual periods beginning after 15 December 2020, and interim periods therein. The Group is currently evaluating the effect of adoption of the new standard on its financial statements.

On 17 November 2016, the FASB issued ASU 2016-18 “Statement of Cash Flows (Topic 230): Restricted Cash”, which clarifies guidance on the classification and presentation of restricted cash in the statement of cash flows. Under the new guidance, an entity should include in its cash and cash-equivalent balances in the statement of cash flows those amounts that are deemed to be restricted cash and restricted cash equivalents. Changes in restricted cash and restricted cash equivalents that result from transfers between cash, cash equivalents, and restricted cash and restricted cash equivalents should not be presented as cash flow activities in the statement of cash flows. The guidance is effective for fiscal years beginning after 15 December 2017, including interim periods therein. The Group is currently evaluating the effect of adoption of the new standard on its financial statements.

3. Financing Receivables and Allowance for Losses

As at 30 June 2017, the Group's financing receivables included lending to private customers, vehicle lease financing and credit card financing as follows:

CHF in thousands	**30 June 2017**	**31 December 2016**
Loans	2,783,547	2,695,204
Deferred costs, net	28,540	28,019
Total loans, including deferred costs, net	**2,812,087**	**2,723,223**
Investment in financing leases, net of deferred income	1,399,833	1,393,951
Other[1]	3,569	–
Financing receivables before allowance for losses	**4,215,488**	**4,117,175**
Less allowance for losses	– 44,043	– 44,557
Financing receivables, net	**4,171,446**	**4,072,617**

[1] *Other included Swissbilling SA*

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 2017**	**31 December 2016**
Total minimum lease payments receivable	1,513,341	1,505,950
Deferred income[1]	– 113,509	– 111,998
Investment in direct financing leases	**1,399,833**	**1,393,951**
Less allowance for losses	– 4,874	– 4,791
Net investment in direct financing leases	**1,394,959**	**1,389,160**

[1] *Included TCHF 14,593 and TCHF 14,158 of initial direct costs on direct financing leases as at 30 June 2017 and 31 December 2016, respectively.*

The subsidiaries held TCHF 461,040 and TCHF 460,803 of net investment in direct financing leases as at 30 June 2017 and as at 31 December 2016, respectively, used as collateral to secure third-party debt in securitisations. See note 17 for further details of securitisations.

The following table provides further information about financing receivables:

CHF in thousands	30 June 2017	31 December 2016
Personal loans	1,768,870	1,751,350
Auto leases and loans	1,665,419	1,648,085
Credit cards	777,630	717,739
Other [1]	3,569	–
Financing receivables, before allowance for losses	**4,215,488**	**4,117,175**
Allowance for losses	– 44,043	– 44,557
Financing receivables, net	**4,171,446**	**4,072,617**

[1] *Other included Swissbilling SA*

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

CHF in thousands	Balance at 1 January 2017	Provision for losses	Amounts written off	Recoveries	Other	Balance at 30 June 2017
Personal loans	31,427	13,690	– 35,469	21,634	–	31,282
Auto leases and loans	6,866	4,077	– 9,420	5,716	–	7,239
Credit cards	6,264	3,104	– 7,264	3,221	–	5,325
Other [1]	–	255	–	79	– 138	196
Total	**44,557**	**21,126**	**– 52,153**	**30,650**	**– 138**	**44,043**
As a % of total financing receivables, net						1.1 %

[1] *Other included Swissbilling SA*

CHF in thousands	Balance at 1 January 2016	Provision for losses	Amounts written off	Recoveries	Other	Balance at 30 June 2016
Personal loans	32,542	15,421	– 38,398	22,709	–	32,274
Auto leases and loans	7,026	2,782	– 8,625	5,551	–	6,735
Credit cards	5,591	3,495	– 6,231	3,087	–	5,941
Total	**45,159**	**21,698**	**– 53,254**	**31,347**	**–**	**44,950**
As a % of total financing receivables, net						1.1 %

Credit Quality of Financing Receivables

The Group describes the characteristics of the financing receivables and provides information about payment per-formance, credit quality indicators, and impairment. The Group manages its 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 years ended 31 December 2016 and 2015.

Past Due Financing Receivables

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

	30 June 2017		**31 December 2016**	
At 31 December	*Over 30 days past due*	*Over 90 days past due*	*Over 30 days past due*	*Over 90 days past due*
Personal loans	3.0 %	0.7 %	2.9 %	0.6 %
Auto leases and loans	1.1 %	0.1 %	0.8 %	0.2 %
Credit cards	1.2 %	0.5 %	1.2 %	0.5 %
Total [1]	**1.9 %**	**0.4 %**	**1.8 %**	**0.4 %**

[1] *Does not include Swissbilling SA. There is no material impact on the Group's past due financing receivables.*

Nonaccrual Financing Receivables

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

CHF in thousands	**30 June 2017**	**31 December 2016**
Personal loans	12,514	10,750
Auto leases and loans	2,330	2,496
Credit cards	3,665	3,313
Total [1]	**18,509**	**16,559**
Nonperforming loan coverage [2]	238.0 %	269.1 %

[1] *Does not include Swissbilling SA. There is no material impact on the Group's nonaccrual financing receivables.*
[2] *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 typically 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 2017				
CHF in thousands	*CR1*	*CR2*	*CR3*	*CR4*	*CR5*
Personal loans	786,428	555,305	347,341	78,394	1,401
Auto leases and loans	916,352	516,407	191,425	31,841	9,395
Credit cards	593,967	139,812	40,860	2,970	21
Total [1]	**2,296,747**	**1,211,524**	**579,626**	**113,205**	**10,817**
As a % of total financing receivables before allowance for losses	54.5 %	28.8 %	13.8 %	2.7 %	0.2 %

[1] *The Credit Quality Indicators do not include Swissbilling SA. There is no material impact on the Group's consumer ratings.*

	31 December 2016				
CHF in thousands	*CR1*	*CR2*	*CR3*	*CR4*	*CR5*
Personal loans	832,578	519,423	319,312	79,071	967
Auto leases and loans	920,032	505,281	181,411	31,634	9,727
Credit cards	550,965	128,111	36,199	2,438	26
Total	**2,303,575**	**1,152,815**	**536,922**	**113,143**	**10,720**
As a % of total financing receivables before allowance for losses	56.0 %	28.0 %	13.0 %	2.7 %	0.3 %

4. Investment Securities

Investment securities are comprised of debt securities available for sale.

CHF in thousands	30 June 2017	31 December 2016
Debt securities available-for-sale	11,863	11,961
Total investment securities	**11,863**	**11,961**

The following table summarises the amortised cost, the fair value and the unrealised gains and losses of debt securities available for sale by category.

CHF in thousands	30 June 2017				31 December 2016			
	Amortised cost	Gross unrealised gains	Gross unrealised losses	Fair value	Amortised cost	Gross unrealised gains	Gross unrealised losses	Fair value
Debt securities issued by Swiss Cantons	2,042	13	– 8	2,046	2,051	2	–	2,053
Debt securities issued by Swiss municipal authorities	1,018	4	– 4	1,018	1,032	1	– 3	1,030
Debt securities issued by Swiss Mortgage institutions	8,806	58	– 66	8,799	8,897	10	– 29	8,878
Debt securities available-for-sale	**11,866**	**75**	**– 77**	**11,863**	**11,980**	**13**	**– 32**	**11,961**

The maturity of debt securities available for sale is presented in the table below:

	Amortised cost	Fair value
CHF in thousands	30 June 2017	30 June 2017
within 1 year	1,018	1,018
from 1 to 5 years	10,848	10,845
from 5 to 10 years	–	–
after 10 years	–	–
Total debt securities	**11,866**	**11,863**

5. Property, Plant and Equipment

CHF in thousands	Estimated useful lives (years)	30 June 2017	31 December 2016
ORIGINAL COST			
Buildings and improvements	(5-40)	5,653	5,596
Office equipment	(3-10)	7,380	7,286
Total		**13,033**	**12,882**
ACCUMULATED DEPRECIATION			
Buildings and improvements		– 3,190	– 3,014
Office equipment		– 5,235	– 4,956
Total		**– 8,425**	**– 7,970**
NET CARRYING VALUE			
Buildings and improvements		2,463	2,582
Office equipment		2,145	2,330
Total		**4,608**	**4,912**

Depreciation expense was TCHF 612 and TCHF 734 for the periods ended 30 June 2017 and 30 June 2016, respectively. The Group did not recognise any impairment losses in these periods.

6. Intangible Assets

CHF in thousands	30 June 2017	31 December 2016
Original cost	39,389	35,101
Accumulated amortisation	– 15,311	– 11,722
Net carrying value	**24,078**	**23,379**

Capitalised software is amortised over a useful life of one to five years. The weighted average amortisation period of intangible assets was five years as of 30 June 2017.

Amortisation expense relating to intangible assets was TCHF 3,609 and TCHF 3,194 for the periods ended 30 June 2017 and 30 June 2016, respectively. The increase is related to amortisation of intangible assets recognised in the acquisition of Swissbilling SA.

7. Goodwill

On 17 February 2017 the Group announced the acquisition of 100 % of shares of Swissbilling SA, a Swiss invoice financing company with operations mainly in the French speaking region of Switzerland. Goodwill related to this acquisition is presented below:

CHF in thousands	**Balance at 1 January 2017**	**Goodwill acquired during the period**	**Other**	**Balance at 30 June 2017**
Gross amount of goodwill	–	3,799	–	3,799
Accumulated impairment	–	–	–	–
Net book value	**–**	**3,799**	**–**	**3,799**

There was no impairment recorded in relation to goodwill in the half-year ended 30 June 2017.

8. Other Assets

CHF in thousands	**30 June 2017**	**31 December 2016**
Restricted cash	23,581	26,710
Tax receivables	29,293	15,468
Other receivables	16,176	22,250
Deferred expenses	814	1,204
Other	1,063	1,528
Total other assets	**70,927**	**67,161**

Restricted cash is not available for use in the ordinary course of operations and is restricted in terms of withdrawal or usage. The Group had TCHF 23,581 and TCHF 26,710 of restricted cash related to the consolidated VIEs (see note 17) as at 30 June 2017 and 31 December 2016, respectively.

The tax receivables as per 30 June 2017 consisted of VAT input tax and income tax receivables. The increase in tax receivables was due to income tax advance payments.

9. Deposits

The following table presents the maturities of the Group's customers' saving deposits, term deposits and prepaid cards as at 30 June 2017 and 31 December 2016, respectively:

CHF in thousands	30 June 2017	31 December 2016
On demand	197,480	202,778
Less than 3 months	160,284	255,943
3 to less than 6 months	269,211	292,639
6 to less than 12 months	531,523	429,515
12 months plus, thereof	1,197,636	1,173,695
due in 2018	154,630	–
due in 2019	227,878	405,768
due in 2020	225,514	142,928
due in 2021	133,204	147,759
due in 2022 and later	151,002	117,014
due in 2023 and later	305,408	360,226
Total	**2,356,134**	**2,354,569**

There is no term of maturity for on demand saving deposits. All deposits are denominated in CHF. The weighted average interest rate on all deposits was approximately 0.55 % and 0.59 % as at 30 June 2017 and 31 December 2016, respectively.

10. Short-term and Long-term Debt

Short-term and long-term debt is shown below:

		30 June 2017		31 December 2016	
CHF in thousands	*Maturity*	*Amount*	*Contractual interest rate*	*Amount*	*Contractual interest rate*
External debt (bank loan) (short-term)	2017	100,000	0.88 %	150,000	0.89 %
External debt (bank loan) (short-term)	2018	150,000	0.42 %	150,000	0.42 %
thereof short-term portion	2017	–	–	50,000	–
External debt (unsecured bond) (short-term)	2017	249,952	1.13 %	249,894	1.13 %
External debt (unsecured bond)	2019	100,044	0.75 %	100,054	0.75 %
External debt (unsecured bond)	2021	175,000	0.50 %	175,000	0.50 %
External debt (unsecured bond)	2022	99,963	1.25 %	99,959	1.25 %
External debt (unsecured bond)	2023	200,000	0.18 %	200,000	0.18 %
External debt (unsecured bond)	2025	150,948	0.38 %	–	–
Non-recourse borrowings (Auto ABS) [1]	2019	200,000	0.23 %	200,000	0.23 %
Non-recourse borrowings (Auto ABS) [1]	2020	200,000	0.22 %	200,000	0.22 %
Less unamortised debt issuance costs		– 4,776		– 5,145	–
Total short-term and long-term debt		**1,621,130**		**1,519,762**	

[1] *Related to consolidated VIEs.*

The contractual rate represented the interest due on the relevant debt at the reporting date, whereas the all-in-rate reflected the contractual interest rate, fees and debt issuance costs that are amortised over the expected life of the instrument. As per 30 June 2017, the Group only had fixed rate funding on its balance sheet.

The Group defers the debt issuance costs and amortises them over the expected life-time of the relevant debt instrument. As per 30 June 2017 and 31 December 2016 unamortised debt issuance costs amounted to TCHF 4,776 and TCHF 5,145, respectively.

Commitment fees are recognised as incurred over commitment period.

The Group signed a TCHF 150,000 bilateral term loan with an international bank in 2014 with maturity in 2018. As at 30 June 2017, the facility was fully drawn with TCHF 50,000 drawn in 2014 (maturing in 2017) and the remaining TCHF 100,000 drawn in 2015 (maturing in 2018). All tranches under the facility bear interest on a fixed rate basis for 3 years from the time of drawing.

In July 2015, the Group signed a revolving credit facility with a Swiss bank for a three year term. The facility matures in 2018 and consists of a TCHF 100,000 unsecured commitment. As at 30 June 2017 the facility was undrawn and has an applicable commitment fee as at 30 June 2017 of 0.35 %.

On 4 January 2016, the Group signed a revolving credit facility with a Swiss bank with a committed term until the end of 2018. The facility consists of a TCHF 50,000 unsecured commitment. The facility has an applicable contractual commitment fee of 0.20 % p.a.

On 3 February 2016, the Group signed a revolving credit facility with an international bank with a committed term 3 years after signing. The facility consists of a TCHF 100,000 unsecured commitment. The facility has an applicable contractual commitment fee of 0.25 % p.a.

On 8 June 2016, the Group launched its fourth 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 re-demption date of 3 3/4 years from the date of issuance. The proceeds from this issuance were used to refinance the second ABS issued in 2013. On 23 June 2016, the TCHF 200,000 outstanding senior notes issued in 2013 were fully repaid with no further amounts due to noteholders.

On 6 September 2016, the Group issued a TCHF 200,000 senior unsecured bond at par with maturity of seven years and a coupon of 0.18 %. On 1 June 2017, the Group issued a TCHF 150,000 senior unsecured bond (at a premium) with maturity of eight years and a coupon of 0.375%.

The Group has a total outstanding of TCHF 975,000 of senior unsecured bonds issued as at 30 June 2017. These bonds have been issued in 2013 (maturing in 2017), 2014 (maturing in 2019 and 2022), 2015 (maturing in 2021), 2016 (maturing 2023) and 2017 (2025).

As at 30 June 2017 and 31 December 2016 the Group maintained TCHF 350,000 and TCHF 500,000 of undrawn com-mitted facilities. The weighted average contractual commitment fee for all facilities was unchanged 0.24 % both at 30 June 2017 and at 31 December 2016.

11. Pension Plan

The cost of the pension plan is presented below:

For the six months ended (CHF in thousands)	30 June 2017	30 June 2016
Service cost for benefits earned	3,342	3,681
Prior service credit amortisation	– 213	– 213
Expected return on plan assets	– 2,512	– 2,593
Interest cost on benefit obligations	634	826
Net actuarial loss amortisation	3,600	3,399
Pension plan cost	**4,851**	**5,100**

12. 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, on the components of capital, risk weightings and other factors.

As of 30 June 2017, the Group adhered 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 the minimum requirement of 11.2 %. The Group was adequately capitalised under the regulatory provisions outlined by FINMA and the Bank for International Settlements.

CHF in thousands	30 June 2017	31 December 2016
ELIGIBLE REGULATORY CAPITAL		
Tier 1 capital	774,589	752,667
of which CET1 capital	774,589	752,667
Total eligible capital	**774,589**	**752,667**
RISK-WEIGHTED ASSETS		
Credit risk	3,236,004	3,151,966
Non counterparty risk	27,396	28,541
Market risk	5,049	7,244
Operational risk	571,662	569,848
Total risk-weighted assets	**3,840,112**	**3,757,600**
CAPITAL RATIOS		
CET1 ratio	20.2 %	20.0 %
Tier 1 ratio	20.2 %	20.0 %
Total capital ratio	20.2 %	20.0 %

13. Earnings Per Share

For the six months ended	**30 June 2017**	**30 June 2016**
Net income attributable to shareholders for basic earnings per share (CHF in thousands)	69,428	71,846
Net income attributable to shareholders for diluted earnings per share (CHF in thousands)	69,428	71,846
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	1,808,542	1,803,660
Weighted-average numbers of common shares outstanding for basic earnings per share	**28,191,458**	**28,196,340**
Dilution effect number of shares	19,429	19,968
Weighted-average numbers of common shares outstanding for diluted earnings per share	**28,210,887**	**28,216,308**
Basic earnings per share (in CHF)	**2.46**	**2.55**
Diluted earnings per share (in CHF)	**2.46**	**2.55**

The amount of common shares outstanding has changed as follows:

	30 June 2017	**31 December 2016**
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	**1,807,627**	**1,803,627**
Share based compensation	– 10,457	– 5,980
Purchase	17,000	9,980
Balance at end of period	**1,814,170**	**1,807,627**
Common shares outstanding	**28,185,830**	**28,196,373**

14. Income Tax Expense

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

For the six months ended (CHF in thousands)	**30 June 2017**	**30 June 2016**
Current tax expense	18,908	19,090
Deferred tax expense from temporary differences	– 399	9
Income tax expense	**18,509**	**19,099**

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 2017 and 30 June 2016 was estimated at 21 %.

Net deferred tax assets amounted to TCHF 7,520 as of 30 June 2017 and TCHF 8,119 as of 31 December 2016, respectively.

Based on expectations regarding future taxable income, the management believes that the realisation of the recognised deferred tax assets is more likely than not. 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 these 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 is 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.

15. 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 7,372 as at 30 June 2017. The deposit insurance is a guarantee and exposes the Group to additional risk. As at 30 June 2017, 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 2017**	**31 December 2016**
Ordinary course of business lending commitments	72,505	57,625
Unused revolving loan facilities	55,605	50,333
Unused credit card facilities	2,816,067	2,666,614

16. Financial Instruments

The following table provides information about the fair values of assets and liabilities carried at other basis in the Interim Condensed Consolidated 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.

CHF in thousands		**30 June 2017**		**31 December 2016**
	Carrying amount net	*Estimated fair value*	*Carrying amount net*	*Estimated fair value*
ASSETS				
Loans	2,772,918	2,840,424	2,683,457	2,769,155
LIABILITIES				
Deposits	– 2,356,134	– 2,397,158	– 2,354,569	– 2,399,086
Borrowings	– 1,621,130	– 1,636,460	– 1,519,762	– 1,537,373

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.

Pension Fund
Refer to note 9 of the Consolidated Financial Statements as of and for the years ended 31 December 2016 and 2015 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.

17. 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 four 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. This issuance was fully repaid on 23 June 2016.

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.

In June 2016, the Group launched its fourth securitisation transaction and issued fixed-rate senior notes of TCHF 200,000 with a coupon of 0.22 % per annum and an optional redemption date of 3 3/4 years from the date of issuance. The proceeds from this issuance were used to refinance the second 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 is considered the primary beneficiary of the VIEs as it has both the power to direct the activities that most significantly impact the VIE's economic performance and an obligation to absorb losses, or a right to receive benefits from the VIEs. 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 2017**	**31 December 2016**
ASSETS		
Financing receivables, net	461,040	460,803
Other assets	23,602	26,747
Total assets	**484,642**	**487,550**
LIABILITIES		
Accrued expenses and other payables	2,570	2,668
Non-recourse borrowings	398,530	398,238
Total liabilities	**401,101**	**400,906**

Revenues from the consolidated VIEs amounted to TCHF 12,337 and TCHF 14,162 for the periods ended 30 June 2017 and 30 June 2016, respectively. Related expenses consisted primarily of provisions for losses of TCHF 1,224 and TCHF 1,167 and interest expense of TCHF 764 and TCHF 1,111 for the periods ended 30 June 2017 and 30 June 2016, 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.

18. Related Party Transactions

The Group had no related party transactions in the first half-year of 2017.

19. Interest Income

The details of interest income are shown below:

For the six months ended (CHF in thousands)	**30 June 2017**	**30 June 2016**
Personal loans	84,178	98,678
Auto leases and loans	41,414	41,843
Credit cards	27,243	24,953
Other	– 1,705	– 987
Total	**151,130**	**164,488**

20. Interest Expense

The details of interest expense are shown below:

For the six months ended (CHF in thousands)	**30 June 2017**	**30 June 2016**
Interest expense on ABS	904	1,287
Interest expense on deposits	6,688	7,591
Interest expense on debt	4,970	5,355
Total	**12,563**	**14,233**

21. Commission and Fee Income

The details of commission and fee income are shown below:

For the six months ended (CHF in thousands)	**30 June 2017**	**30 June 2016**
Insurance	11,936	11,956
Credit cards	34,467	29,688
Loans and leases	5,982	5,201
Other	1,373	298
Total	**53,758**	**47,142**

22. General and Administrative Expenses

The details of general and administrative expenses are shown below:

For the six months ended (CHF in thousands)	**30 June 2017**	**30 June 2016**
Professional services	5,288	3,884
Marketing [1]	3,316	5,022
Collection fees	2,884	3,100
Postage and stationery	4,319	4,183
Rental expense under operating leases	2,244	3,090
Depreciation and amortisation	4,221	3,928
Information technology	10,778	11,514
Other	– 495	147
Total	**32,554**	**34,868**

[1] *Marketing includes advertising costs, which are expensed as incurred.*

23. Supplemental Cash Flow Information

Certain supplemental information related to cash flows is shown below:

For the six months ended (CHF in thousands)	**30 June 2017**	**30 June 2016**
Increase in loans to customers	– 896,510	– 829,940
Principal collections from customers – loans	849,111	834,902
Investment in equipment for financing leases	– 389,984	– 393,881
Principal collections from customers – financing leases	381,363	390,142
Net change in credit card receivables	– 63,933	– 59,470
Net change in financing receivables	**– 119,954**	**– 58,247**

24. Subsequent Events

The Group has evaluated subsequent events from the financial position date through 24 July 2017, the date at which the financial statements were available to be issued.

On 21 July 2017, the Group signed an agreement to refinance a CHF 42 million personal loan portfolio from eny Finance AG, a Swiss pure online personal loan provider. The Group has also agreed to partially finance future personal loan volume from this provider. The deal will be structured through a special purpose vehicle (SPV) that will be fully owned, controlled and consolidated by the Group.

Information for Shareholders

Cembra Money Bank AG Registered Shares

Stock exchange listing	SIX Swiss Exchange
ISIN	CH0225173167
Security number	22517316
Par value	CHF 1.00
Number of shares	30,000,000
Major indices	SPI®, Swiss All Share Index, STOXX® Europe 600
Bloomberg ticker	CMBN SW
Reuters ticker	CMBN.S

Credit Ratings

Standard & Poor's	A– (long-term)
Standard & Poor's	A–2 (short-term)
Bank Vontobel	A–
Zürcher Kantonalbank	A–

Financial Calendar

Publication of full-year 2017 results	22 February 2018
Annual General Meeting 2018	18 April 2018

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Publisher: Cembra Money Bank AG, Zurich
Design & Concept: Cembra Money Bank AG, Zurich
Photography: Foto Frank Schwarzbach AG, Zurich
Production: Neidhart + Schön AG, Zurich

In order to improve the legibility of the present half-year report, when it comes to gender specific definitions, the half-year report publishes in male version; as a matter of course always both genders are meant.

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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