

Letter to Shareholders



Dear Shareholders

2013 was an eventful year for Cembra Money Bank. With its initial public offering (IPO) on 30 October 2013 on the SIX Swiss Exchange and the associated change in the brand identity from GE Money Bank to Cembra Money Bank, the Bank reached an important milestone in its long history.

There was strong interest in the offered shares, both in Switzerland and internationally, and at CHF 51 per share the offer was oversubscribed several times.

Net income of CHF 132.9 million

From a financial perspective, 2013 was also a successful year. Cembra Money Bank recorded net income of CHF 132.9 million. Net revenues remained virtually unchanged compared to the previous year, at CHF 354.5 million, most of which came from net interest income of CHF 282.6 million, while commissions and fees contributed CHF 71.9 million. Our prudent risk management approach was reflected in low provisions for losses on financing receivables, at CHF 7.0 million, driven by a sale of loss certificates executed in the first half of the year and low delinquency metrics on our

portfolio with a non-performing loan ratio of 0.4%. We maintained solid operating efficiency with expenses at CHF 178.9 million, including IPO-related one-off costs amounting to CHF 23.3 million. The cost/income ratio was 50% and 44%, adjusting for one-off costs, which is a 2 percentage points improvement over the last year.

Net financing receivables (loans and leasing) remained stable at CHF 4.0 billion, and our cash position reached CHF 492 million. In 2013 the funding of the bank became even more diversified, with GE Capital now accounting for less than 20% of the overall mix. This was primarily due to an increase in our deposit base, in particular in the area of institutional clients, which was up 53%, helping the overall deposit balance to reach CHF 1,660 million. The bank

was also active on the debt capital markets. First of all, in June 2013, it issued a second ABS bond for CHF 200 million, which was rated Aaa/AAA by Moody's and Fitch. Secondly, following the assignment of an A- rating by Standard & Poor's, Cembra Money Bank issued its first senior unsecured bond for CHF 250 million with a maturity of four years. Both transactions were very well received by the market.

At the end of the year, Cembra Money Bank's shareholders' equity amounted to CHF 799 million and the return on average equity (ROE) was 14.1%. This was achieved while retaining a very solid capital base with a Tier 1 capital ratio of 19.7%.

Personal loans had a good performance in 2013. Receivables stood at CHF 1,861 million, down 2% compared with the previous year, as a result of a product transition. We have continued to invest in our online offering, such as the optimisation of our website and in online affiliate partnerships.

Auto leases and loans was able to maintain its position in a challenging market environment. Receivables ended the year at CHF 1,647 million, 3% lower than the previous year, due to the negative performance of the Swiss automotive market and intense competition.

Cards once again recorded strong growth of 19% of its receivables portfolio, reaching CHF 485 million. The existing long-term partnerships with Migros and Conforama were successfully extended. The Migros Cumulus-MasterCard, TCS MasterCard and Cosy MasterCard Conforama programmes performed well. In customer satisfaction surveys, all the card programmes received top ratings (5.2) from Comparis¹ and Bonus¹. Besides, both the Cumulus-MasterCard and the Cosy MasterCard Conforama were equipped with contactless payment functionalities.

Finally we have also been able to extend insurance offerings to our customers through our partnerships with CSS Versicherung, Europäische Reiseversicherungs AG and MasterCard World, which offer Cumulus-MasterCard clients attractive travel insurance conditions.

Corporate Social Responsibility

Voluntary engagement has always played an important role in the Bank's culture, and this was true in 2013 too. More than 280 employees dedicated around 900 working hours participating in different volunteering events and projects across Switzerland, in close cooperation with Blutspende SRK Schweiz, Kinderkrebshilfe Schweiz, Young Enterprises Switzerland (YES) and other Swiss charitable organisations.

Capital Allocation

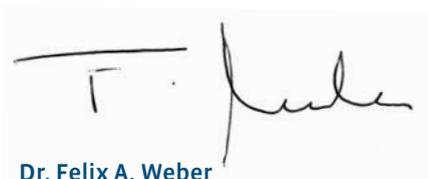
Given the solid results achieved in 2013 and our strong capital base, the Board of Directors will propose to the General Meeting of Shareholders on 13 May 2014 that a dividend of CHF 2.85 per share be distributed from reserves from capital contributions. The distribution will not be subject to Swiss withholding tax and, for Swiss individual investors who hold their shares as private assets, it will not be subject to income taxes. Based on earnings per share of CHF 4.43, the dividend corresponds to a high pay-out ratio of 64% of our consolidated US GAAP net income.

Outlook

We are currently anticipating a stable economic and regulatory environment in 2014. Interest rates will probably remain at a historically low level, exerting continuous price pressure on our personal loans and auto products. In cards we expect the growth trend to continue. Medium-term targets remain unchanged including a dividend pay-out ratio of 60–70% of net income. For the financial year 2014, we are currently expecting earnings per share to be between CHF 4.40 and CHF 4.60, assuming an unchanged economic and regulatory environment.

¹ www.comparis.ch; www.bonus.ch

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.



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

We would also like to express our particular gratitude to our employees, who have made a major contribution to the success of our Bank with their dedication and loyalty.



Robert Oudmayer
Chief Executive Officer

Key figures

<i>For the years ended 31 December (CHF in millions)</i>	2013	2012
Net revenues	354.5	355.7
Net interest income	282.6	282.3
Net income	132.9	133.1
Cost/income ratio	50 %	46 %
Net interest margin	7.0 %	6.9 %
Total assets	4,590	4,439
Net financing receivables	3,993	4,011
Total shareholder's equity	799	1,081
Return on average equity (ROE)	14.1 %	13.1 %
Return on average assets (ROA)	2.9 %	3.1 %
Tier 1 capital ratio	19.7 %	26.6 %
Employees (FTEs)	700	710
Rating (S & P)	A-	-
Dividend per share ¹ (CHF)	2.85	-
Earnings per share (CHF)	4.43	4.44
Share price (CHF)	58.55	-
Market capitalization	1,757	-

¹ Proposal to the Annual General Meeting of Shareholders

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#CembraMoneyBank