Annual Report
2015

Aduno Group
the smart way to pay

At a glance

Financial year		2013 represented	2014 represented	2015	2014 / 2015
Total revenue	in million CHF	472.6	505.2	484.1	(4.2%)
Results from operating activities in % of revenue	in million CHF	73.2 15.5%	82.6 16.4%	84.1 17.4%	1.8%
Profit for the period in % of revenue	in million CHF	64.7 13.7%	74.1 14.7%	74.6 15.4%	0.7%
Total assets	in million CHF	2,138.9	2,245.6	2,207.1	(1.7%)
Total equity in % of total assets	in million CHF	442.3 20.7%	486.4 21.7%	543.2 24.6%	11.7%
Profit per share	in CHF	2,602	2,984	2,996	0.4%

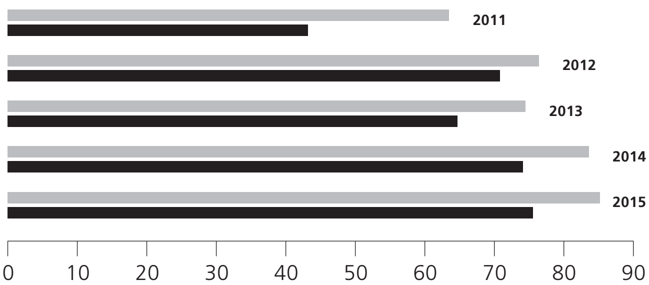
Number of issued cards	in 1,000	1,276	1,317	1,369	3.9%
Merchant sales volume	in billion CHF	7.0	7.8	7.8	0.6%
Processed volume from issued cards	in billion CHF	7.3	7.6	7.8	1.9%
Consumer Finance portfolio	in million CHF	1,199	1,268	1,265	(0.3%)
Number of employees (end of year)	in FTE	662	695	756	8.7%

Distribution of revenue 2015 by source

- Commission income: 41.3%
- Annual fees: 20.1%
- Interest income: 21.5%
- Interest: 17.1%

Operating result and net profit from 2011 to 2015

[in CHF million]



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"The Aduno Group posted consolidated revenue of CHF 484.1 million. The operating result rose by 1.8 per cent to CHF 84.1 million and at CHF 74.6 million, net profit was also slightly up on the previous year."

Martin Huldi (left)
Dr Pierin Vincenz

Ladies and Gentlemen

Looking back on the 2015 financial year, two topics in particular have kept us busy – digitisation and the strong franc.

Digitisation is the mega trend in our industry. All market participants are gearing their business towards this and pushing ahead with great momentum to bring products and services for digital payment onto the market. While some have already disappeared again, new competitors are appearing on the market and pushing their way into our value chain – including global enterprises such as Apple, Google and Samsung that are capable of establishing digital payment in the mass market. Our environment has become more dynamic and competitive. Nevertheless, we have every confidence that the Aduno Group can not only hold its own well but will also be among the winners of digitisation.

Why are we so optimistic? Because the Aduno Group can play some trump cards: first of all, it is ideally positioned as a specialist in card-based payment solutions, as Apple and the like are focusing on collaboration with the existing card organisations MasterCard and Visa. This gives the Aduno Group an initial advantage as partner of the card providers. Secondly, the Aduno Group can count on broad acceptance among end customers and established relationships with its partner banks and affiliated partners. And thirdly, innovative strength and speed are called for in a dynamic environment – qualities the Aduno Group has already demonstrated several times. We thus worked at full steam in the 2015 financial year on the preparation of digital payment services and invested around CHF 30 million in future projects.

On 15 January 2015 the Swiss National Bank decided to scrap the euro/franc floor which had far-reaching implications for the Aduno Group. This move has fundamentally altered the framework conditions in our industry: owing to the strong franc, the value of all card sales generated in the eurozone suddenly fell by 15 per cent. Prices collapsed by a similar amount in the vehicle trade, which affected our leasing business, and card sales by foreigners in Switzerland dropped by as much as 30 to 40 per cent, particularly in the first half of the year. On the positive side it can be noted that the absolute volume of our foreign business has increased. In other words, the Swiss are going shopping and spending their holidays more in the eurozone. Nevertheless, the overall impact of the strong franc was negative.

In view of the considerable investments in our strategic projects and the headwind brought about by the currency developments, we can be very satisfied with the result of the 2015 financial year: the Aduno Group posted consolidated revenue of CHF 484.1 million. The operating result rose by 1.8 per cent to CHF 84.1 million and at CHF 74.6 million, net profit was also slightly up on the previous year.

In total, all business divisions of the Aduno Group – Payment, comprising the Issuing business of Viseca Card Services SA (Viseca), the Acquiring and terminal business of Aduno SA (Aduno), the guarantee deposit business of AdunoKaution AG (AdunoKaution) and the terminalsoftware business of Vibbek AG, and Consumer Finance with cashgate AG (cashgate) – contributed to this result. Payment once again grew and increased the number of issued cards in the Issuing business by 3.9 per cent year-on-year to around 1.4 million. New card sales rose by 6.2 per cent, thereby underlining the efficiency of our sales organisation and the good collaboration with the partner banks. In the Acquiring business, transaction volumes were upheld despite the abolition of the euro minimum exchange rate. Newly gained key accounts offset the fall in turnover in sectors sensitive to the exchange rate such as tourism, the hotel industry and the cross-border retail trade.

In the Consumer Finance division, the personal credit business once again sent out a strong signal: the volume of new business rose by 11.2 per cent in a shrinking overall market. cashgate's attractive price model therefore also paid off in the last year. cashgate also launched a product for financing studies, thereby tapping a completely new business area. In parallel with the shrinking overall market, the leasing business also sustained a decline in new volume.

As in 2015, we will also address tasks associated with the digitisation of our business in the current year. We will also continue to face the challenges of the strong franc. However, a third major issue will be the increasing degree of regulation: according to a federal ordinance, a maximum interest rate will apply from mid-2016 of ten per cent for personal credits and 12 per cent in the credit card business. It is hard to comprehend why the regulator wishes to intervene in well-functioning markets in which competition prevails between different credit models and conditions.

In the credit card business the Competition Commission had prescribed a reduction of the interchange fee that the Acquirer passes on to the Issuer. This reduction will for the first time apply for an entire year in 2016, which will have a negative impact on the earnings of the Aduno Group. Nevertheless, we will not attempt to offset these financial losses by cutting investments as in order to be properly prepared for the future we need to lay down the key foundations this year.

Credit for the fact that the Aduno Group successfully mastered this challenging year above all lies with our employees who worked hard on behalf of the company at all levels in 2015. We would like to thank them for this commitment. We would also like to thank our customers for their trust and our partner banks for their support.

Dr Pierin Vincenz Chairman of the Board of Directors	**Martin Huldi** Chief Executive Officer

"The customer needs to perceive maximum user-friendliness and security."

Martin Huldi, CEO,
Conrad Auerbach, CFO (left)

We are reading everywhere that "the future of payment is digital". What are the most important changes that digitisation entails in your sector?

Martin Huldi: We are living in exciting times. The technological upheaval is creating new opportunities. If we move from plastic cards to digital solutions on smartphones, this will make paying even easier and more secure for the customer in the future.

Conrad Auerbach: The contactless terminals that we have had in Switzerland for some years now were the precursors of digitisation. The second phase is now following with the digitisation of the card and payment by smartphone. But that in itself is still not a revolution. Things will get exciting in phase three when the apps and software tools installed on the smartphone come into play and link the payment procedure with other information or offers. That will then be the true digitisation.

Huldi: The customer interface will be decisive in the digital age. We are pursuing a clear strategy of mastering this interface and offering the customer added value – via the data that we make constructive use of and the information that enhances the customer's security.

How can the Aduno Group utilise the changed parameters brought about by digitisation for itself?

Huldi: Firstly, thanks to our partnership with the major card organisations we can offer our customers a solution that not only works locally in Switzerland but also globally – a uniform standard for the whole world. Secondly, our solution is secure. Customers can rest assured that making digital payments entails no risk. This is also important for merchants.

Auerbach: The third benefit is user-friendliness: it should make no difference for our customers whether they pay by plastic card or smartphone or whether they go shopping in Switzerland or abroad.

Digitisation is attracting powerful enterprises such as Apple, Google and Samsung to the market. How can the Aduno Group hold its own in this environment?

Huldi: By viewing these major companies as partners. By manufacturing smartphones with NFC functionality, they provide the mobile devices required for digital payments on which the credit card is stored as a means of payment, while we ensure POS acceptance with an NFC-enabled terminal infrastructure. They have decided to offer their payment solutions on the basis of credit cards. And when it comes to credit cards, the Aduno Group is a well-established partner.

Auerbach: What is more, these companies are massively speeding up the change. Brands such as Apple, Google and Samsung also have an incredible impact on consumers also in Switzerland. By relying on a scheme-based solution – i.e. a connection to MasterCard and Visa – they give us enormous momentum.

Huldi: We are convinced that the major companies will enter the Swiss market in the course of the year. We are sparing no effort to ensure that we are prepared in terms of payment processing when D-Day arrives.

What specifically did the Aduno Group carry out in 2015 in order to be ready when D-Day arrives?

Auerbach: The main focus last year was placed on preparing the systems to ensure that the procedures prescribed by MasterCard and Visa work smoothly. Implementing such technologies is no trivial matter and called for significant investments. The technical projects ran in the background. The customer was not aware of these.

Huldi: The customer needs to perceive maximum user-friendliness and security. It is with this claim that we launched the new VisecaOne app for authorising transactions, for instance. VisecaOne offers customers the benefit of even easier and more secure payment in e-commerce. The payment can be confirmed with just one click.

What does the customer otherwise stand to gain – apart from more user-friendliness and enhanced security – from the new digital offerings?

Auerbach: The key issue clearly comprises the value-added services we will be able to offer customers in the future. Take, for example, the individual premiums as part of the surprize rewards programme. These are only possible thanks to the digital recording and linking of data.

What was business like overall for the Aduno Group in 2015?

Huldi: It was a challenging but good year. We met our targets and budgets. We successfully completed the important projects we have just been talking about or pushed ahead with them according to plan. All in all, the Aduno Group now has a higher degree of maturity.

What impact did the scrapping of the euro/franc floor have on the financial result?

Auerbach: We have to distinguish various effects here. For one thing, the Aduno Group generates a significant share of its sales in the eurozone. These earnings were devalued by 15 per cent at one fell swoop. That is the negative side. On the positive side, volumes increased considerably. The Swiss are going shopping and spending their holidays more in the eurozone. Although the overall impact was negative, it was not quite as bad as had been feared.

Huldi: The leasing business was heavily affected. Dealers had to grant massive euro discounts on both new and used vehicles. Nevertheless, my conclusion for 2015 is positive: we can be proud of the fact that we succeeded in this environment in maintaining our total portfolio in Consumer Finance and achieving a respectable result.

Auerbach: And we shouldn't forget that the good result was achieved despite investments in our various projects amounting to around CHF 30 million. The low interest rates helped us. The zero to negative interest rates introduced by the Swiss National Bank have reduced our refinancing costs.

How did the Payment business develop?

Huldi: In the cards business we achieved a further net growth of 3.9 per cent. We distributed over 51,000 additional cards in net terms, above all thanks to the productive collaboration with our partner banks. We upheld the level in the Acquiring business despite the challenges of the euro/franc exchange rate. This too is to be rated positively.

How do you rate business in Consumer Finance?

Huldi: Ambivalently. The personal credit business can boast an impressive performance. We have grown by CHF 59.3 million or 10.4 per cent and in doing so have gained further market shares. However, as mentioned, the leasing business proved extremely difficult.

Auerbach: It should be added that we achieved the increase in the personal credit business with an ongoing restrictive risk policy. We continued to lend carefully and responsibly – in accordance with the expectations of our bank partners. The fact that we nevertheless gained market shares is particularly encouraging.

Huldi: Our innovative strength undoubtedly plays a part here. For example, in 2015 we launched a new product – cashgateCAREER offers study loans. Here we cooperate closely with universities and training institutions. The product covers a genuine need and has created a new business area.

The pricing model with the two fixed interest rates of 7.9 and 11.9 per cent is also innovative. Now that the Federal Government has set the maximum interest rate for private credits at ten per cent, the model has to be adjusted – how?

Auerbach: This step could be seen coming for some time. We have therefore prepared various scenarios and potential courses of action. We will obviously have to reduce the higher interest rate and at the same time take account of what the competition does. We aim to offset falling prices by rising volumes.

Huldi: The dual-price model has already enabled our customers to benefit from fair, market- and risk-adjusted conditions. This is thanks to our positioning and our good reputation in the market. We also wish to retain a degree of price leadership under the new conditions and to be a fair partner.

Speaking of fair partners: the Aduno Group has been involved with the Plan B association since 2010. What exactly is this?

Huldi: The Plan B association embodies a long-standing partnership with Caritas and Pro Juventute. Together we support projects and advisory services on all aspects concerning the responsible handling of money and consumption. The Aduno Group contributes 90 per cent of the financing and undertakes to sensitise customers towards risks of overindebtedness. Our partners implement preventative measures, hold training courses and provide advisory services.

Auerbach: We assume our corporate responsibility with conviction. We have anchored this attitude in our strategy and values. The involvement of the Aduno Group in the Plan B association serves to exemplify this.

How do you see the further development of the leasing business?

Auerbach: The leasing business is set to remain challenging. New cars are only selling sluggishly. Manufacturers are therefore placing their vehicles on the market via their own financing institutions – at conditions against which we neither wish nor are able to compete. On the other hand, the risks in the leasing business are also low, which means that the business therefore remains interesting. However, volumes will stagnate in 2016.

What are your plans for the current year?

Huldi: 2016 will be a decisive year. Together with our partner banks and our merchants we need to complete the preliminary work required for digital payment on time before Apple, Google and Samsung enter the market with their mobile offerings. Because we cover both sides of the market, we are particularly challenged. But this also means we can offer our customers unique solutions for the digital age.

ADUNO GROUP – THE SMART WAY TO PAY

The Aduno Group is the only enterprise in Switzerland that covers the entire spectrum of cashless payment services. The integrated business model enables it to utilise synergies and generate added value for shareholders, partners and customers. The strategy of the Group sets the course for profitable growth.

True to its vision of being “the smart way to pay”, the Aduno Group offers its customers secure and easy cashless payments as well as private financing. It is a one-stop shop for all products and services required for cashless payment and credit financing, from credit card issuing (Issuing) and card acceptance (Acquiring) to payment terminals, personal credits, leasing and deposit guarantees.

The Aduno Group is the only enterprise in Switzerland that covers both sides of the cards business. With this integrated business model, the Aduno Group is able to utilise synergies and generate added value while also being optimally prepared for the digital future. Another competitive advantage of the Aduno Group is its strong market presence, both directly via proprietary online channels and branches and indirectly as the preferred partner for banks in the card and personal credit business.

The Aduno Group provides various services along the value chain of cashless payments and continuously seeks to expand them. Data analyses play a key role in its business model. Based on these data analyses, the Aduno Group implements, for example, the surprize rewards programme and services in the area of personal finance management. With the real-time scoring of transactions, the Aduno Group can recognise fraud patterns and thus prevent potential losses and fraud attempts.

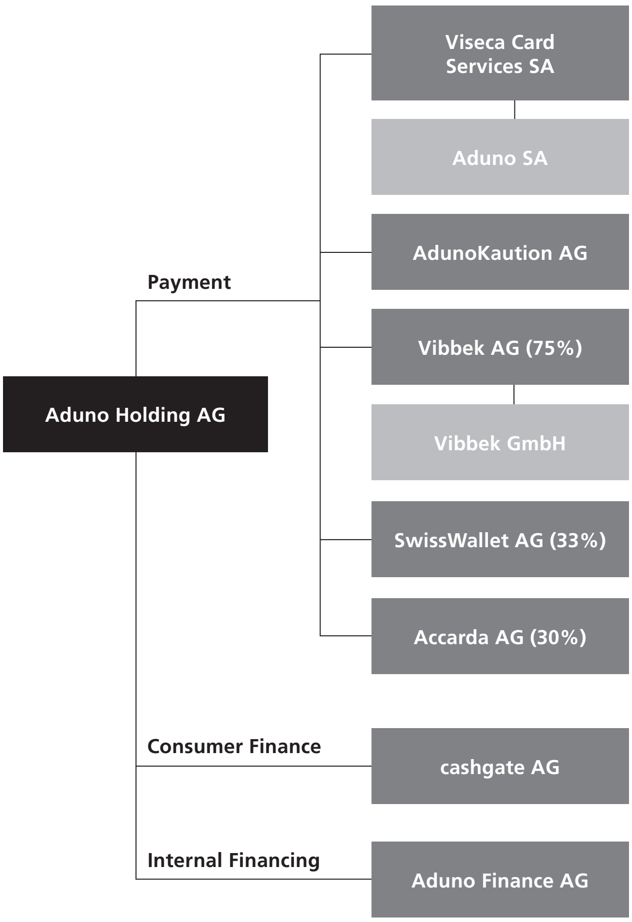
Payment division

The Payment business comprises the complementary segments Issuing and Acquiring. Viseca is one of the largest issuers of credit and PrePaid cards in Switzerland. As Acquirer, Aduno is responsible for the acceptance of electronic payments and the handling processes of the payment terminals at the point of sale. The Payment business also includes AdunoKaution, which is active in the guarantee deposit business, Vibbek AG, which specialises in software development for card payments, and a stake in Accarda AG, which issues customer cards and implements card-based customer loyalty programmes, as well as in SwissWallet AG, which develops digital payment solutions.

Consumer Finance division

The Consumer Finance division contains the personal credit and leasing business of cashgate. As a partner for renowned Swiss banks, cashgate has the densest sales network in Switzerland with around 1,400 partner banks as points of sale for personal credits. The company's own branch offices in Geneva, Langenthal, Lausanne, Neuchâtel, St. Gallen, Winterthur and Zurich round off the sales network.

Structure of the Aduno Group



Success factors drive future growth

Based on market trends and its own strengths, the Aduno Group has determined the success factors that will drive its future growth. For example, thanks to its expertise in the cards business and established market position, it will in future be able to expand the penetration rate of cards at partner banks. A strategy aligned with the banks will enable both partners to generate added value.

As an expert in payment processing, the Aduno Group will benefit more than other companies from the growth in digital payments. Here it can draw on its expertise in data analysis combined with the interplay of the Payment and Consumer Finance divisions. The intelligent utilisation of data – taking account of stringent data protection requirements – enables it to increase the added value of using the card for both customers and merchants. Customers receive more and better services and greater security. Merchants benefit from marketing tools that exert a positive effect directly on earnings and indirectly on card revenues.

The strategy for profitable growth

Based on the success factors, the Aduno Group has defined its strategy for profitable growth until 2018. The strategy comprises three interrelated stages of development that will not be implemented in chronological order but instead parallel to one another:

- **Strengthen the core: Strengthen the core business.**
  With its core business, the Aduno Group has a stable baseline. Both the cards business and the personal credit and leasing business as well as deposit guarantees aim for solid organic growth and deliver regular earnings. The Aduno Group will further strengthen its core business in a systematic manner, for example by promoting online sales, increasing its distribution collaboration with partner banks and carrying out

measures to align processes and guidelines with bank standards.

- **Extend the core: Extend the core business on the basis of the core competencies.**
  At the second level, the Aduno Group is launching new products and services to expand its existing Payment and Consumer Finance business. In addition, the market penetration rate will be increased and new markets and customer groups will be tapped. This will be done by, for example, expanding card penetration among partner banks or taking on additional credit portfolios in the Consumer Finance business.

- **Beyond the core: Develop the core business into the future and establish new core competencies.**
  At the third level, the Aduno Group will continuously develop new digital solutions and business models for consumers, merchants and partners – based on its core business as well as its core competencies: payment, consumer finance and data analytics. Examples of this are the surprize rewards programme and VisecaOne/Viseca MasterPass that makes paying for online purchases secure, quick and easy.

AGAINST THE BACKDROP OF DIGITISATION

The Aduno Group pushed ahead with great momentum in 2015 with the digital transformation of its business. The conditions for digital payment were created and initial solutions presented. The Consumer Finance division launched an innovative product with the study loan. The favourable capital market environment was used to float two bonds.

Excellent basis for digitisation

The Aduno Group is not only a leading centre of competence for payment and data services, but also works on the basis of the card programmes of MasterCard and Visa. Because the global enterprises Apple, Google and Samsung also rely on the established credit card providers as partners for their digital payment services, this gives the Aduno Group an important initial advantage.

The brand awareness and market power of Apple and the like are set to speed up the establishment of digital payment in the mass market. For customers, cooperation with the credit card providers means that digital payment solutions are based on existing credit cards and are user-friendly and secure. In addition, credit cards are accepted globally. For the merchant, a card-based digital payment solution can be deployed without additional outlay both in the physical store on the basis of the proven NFC technology and in the online shop. And for the Aduno Group, the connection of digital payment solutions to the credit card providers serves to establish the credit card even more as a day-to-day means of payment. And a higher penetration rate not least also promises rising transaction volumes.

The time-to-market factor is crucial in view of the dynamic developments surrounding digital payment. The Aduno Group accordingly pushed ahead at full steam with the strategic projects associated with digitisation in 2015. The focus was placed on implementing the necessary processes, systems and technologies. Alongside this, specific solutions were already presented in the form of VisecaOne and Viseca SwissWallet.

VisecaOne and Viseca MasterPass digital services launched

VisecaOne is a digital service launched in 2015 that makes shopping and paying on the Internet more secure and convenient. It consists of a portal and an app for smartphones. Following one-time registration, customers can check and approve card payments in online shops using the VisecaOne app. They no longer have to remember a 3-D Secure password. Instead they receive a push message on their smartphone every time a transaction is carried out, which can be confirmed or rejected with just one click in the VisecaOne app. With VisecaOne, Viseca is also the only provider in Switzerland to support the confirmation of online payments on the Apple Watch. A specific app for Apple Watch was developed, which is automatically installed on the watch as soon as you have registered for VisecaOne.

Together with VisecaOne, the online payment solution Viseca MasterPass was also launched. Viseca MasterPass is a digital wallet that can be used to make online purchases. Customers manage and use their cards via a single login and receive secure and easy access to the globally accepted payment solution, be this via smartphone, tablet or computer.

Merchants can connect Viseca MasterPass quickly and directly to existing points of sale and payment systems. Central data storage offers advantages particularly to small online shops as they do not have to meet the high security requirements themselves. The transaction process is significantly accelerated, thereby minimising the discontinuation rate. In addition, Swiss merchants gain access to customers across the world who are able to pay with the same standard.

SwissWallet joint venture founded

Viseca MasterPass is an initial service offered by SwissWallet. The newly founded SwissWallet AG is a joint venture of the two leading companies Aduno Group and Swisscard AECS as well as the software company Netcetera. Its aim is the development and operation of digital payment solutions. The partners plan to supplement the service range of SwissWallet with new functions on an ongoing basis.

surprize with increasing popularity

surprize, the Aduno Group's rewards programme, developed well in the reporting year. The number of registered participants increased by around a third and the points collected were exchanged more frequently for rewards. Not least the two "money back" campaigns allowing participants to redeem surprize points for credits on their credit card for a limited period contributed to this encouraging result. In addition, further companies joined surprize as rewards partners, thereby enhancing the attractiveness of the programme.

Own mPOS solution in the pipeline

For smaller merchants for whom the acquisition of a payment terminal is too expensive or for those who operate on a mobile basis, mPOS is the ideal solution for cashless payments. mPOS stands for mobile point of sale. The Aduno mPOS product consists of an inexpensive card reader and a simple point of sale app and turns the merchant's smartphone or tablet into a fully integrated payment system. Further benefits are an attractive price and straightforward contract conclusion. This makes cashless payment mobile and affordable for new merchant target groups. The Aduno Group developed and tested its mPOS product over the past financial year and plans to launch it in 2016.

Integration of AdunoKaution

Following its acquisition in the previous year, EuroKaution was integrated into the Payment business of the Aduno Group in 2015 and renamed AdunoKaution. The unit operates successfully in the guarantee deposit business. Private and corporate customers can replace their rental deposit with a guarantee from AdunoKaution and use the money that is freed up for other purposes. The objective is therefore to take the cash flow pressure off customers, which in turn fits into the concept of the Aduno Group. The AdunoKaution business represents an ideal expansion of the area of activity of the Aduno Group.

cashgateCAREER, the study loan

cashgate launched a completely new product in 2015 – the cashgateCAREER study loan. What is special about this new product is that it can be adjusted to meet the specific needs of each customer during the period of studies. Customers benefit from a reduced instalment during their studies. The standard instalment only applies following completion of the studies. The loan is paid directly to the educational institution selected by the customer. An online calculator is available for customers to calculate their monthly expenses during and after their studies.

GROWTH IN ISSUING, ACQUIRING WITH DEFENSIVE QUALITIES

The Payment division performed well again in 2015. Issuing increased the number of issued cards to around 1.4 million, which is particularly down to the close collaboration with the partner banks. Acquiring maintained its prior-year level and gained important new customers.

Issuing as a centre of competence for partner banks

Viseca is one of the largest Issuers of credit and Pre-Paid cards of MasterCard and Visa in Switzerland. Viseca's private and corporate customers benefit from a broad range of products and services. The key focus of Issuing in the past financial year lay on pushing ahead with digital payment projects. Detailed information can be found in the "Strategic projects" section.

Viseca further improved the card penetration rate in 2015 and increased the number of issued cards to around 1.4 million by the end of the year. This was facilitated by the major commitment of the Viseca client advisors: They held around 200 training courses for 3,000 participants from partner banks in 2015 in order to familiarise bank staff with the products of Viseca. This has also enabled Viseca to underline its status as a centre of competence for partner banks in the cards business.

Together with the partner banks, Viseca has developed a new service for their personal finance management range of products (PFM). Bank customers can import their credit card transactions into their PFM solution via an interface with Viseca, and they can list their credit card transactions, browse all transactions together in their e-banking, add comments and create clear diagrams to visualise them. Zurich Cantonal Bank is the first bank to benefit from the new interface and collaboration. The development took place in close cooperation with the Swiss fintech start-up Contovista.

Acquiring upholds sales despite challenging environment

As Acquirer, Aduno makes sure that the customers of its affiliated partners can pay conveniently and securely with all commonly issued credit and debit cards. To this end, it takes care of the acceptance and processing of electronic payments at all points of sale, whether online or physically at the point of sale. It provides both the physical payment terminals and the interface to the payment service provider (PSP) in the online shop.

The Acquiring segment upheld its sales in the 2015 financial year, which in view of the scrapping of the euro floor can be regarded as a success. New key accounts from retail, electronics, food and beverages and transport generated additional turnover and offset the downturn in sectors sensitive to the exchange rate such as tourism, the hotel industry and the cross-border retail trade.

Subsidiary Vibbek AG, which specialises in software for payment terminals, successfully launched the roll-out of its cloud-based software in 2015. The cloud solution means that all control functions are stored centrally and the individual payment terminals only need a secure connection to the cloud. This makes things much easier, particularly for large merchants with several branches. They can simplify labour and cost-intensive processes and also have an overview at all times of all turnover generated. Several European customers have already been convinced of these benefits.

The new Yomani Touch payment terminal was launched in the Swiss market in the fourth quarter of 2015. Yomani Touch is a state-of-the-art payment terminal which has won a renowned design price.

Impact of the lower interchange fee

The lower domestic interchange fee of 0.7 per cent prescribed by the Competition Commission has applied in the credit card business since the start of August 2015. This will be followed on 1 August 2017 by a second reduction to 0.44 per cent. The interchange fee is charged to the Acquirer by the Issuer when customers pay by credit card. The Acquirer in turn charges the interchange fee to the merchant as part of its commission.

For the Aduno Group, the reduction of the interchange fee has two different consequences: on the one hand it exerts a negative impact on earnings as within the Group the volume of credit card business is significantly larger in the Issuing business than in Acquiring. On the other hand, merchants benefit from lower fees, thereby making credit cards an even more attractive means of payment for them.

PERSONAL CREDIT BUSINESS AS THE GROWTH DRIVER

Business performance within Consumer Finance was mixed in 2015: the personal credit business grew significantly and once again gained market shares. However, the leasing business was curbed by the scrapping of the euro/franc floor and the strong competition from the manufacturers' own leasing companies.

cashgate's dual-price model once again provided impetus for growth in the private credit business in the reporting year. In a shrinking overall market, cashgate succeeded in increasing the volume of new business by 11.2 per cent. The price model is based on two fixed interest rates of 7.9 and 11.9 per cent. Customers are informed clearly of the interest rate that applies to their individual risk profile. Thanks to the low interest rates and transparent loan approval criteria, the model continued to meet with a positive response from borrowers and partner banks.

Regulatory intervention into market structures

cashgate will be obliged to amend the successful model as of mid-2016 when according to a federal ordinance a maximum interest rate of ten per cent will apply to personal loans. While the lower interest rate of 7.9 per cent will not be affected, cashgate will have to lower the higher interest rate of 11.9 per cent. cashgate nevertheless aims to continue expanding its market position and to offset falling prices with higher volumes under the changed conditions.

The fact that the legislator considers it necessary to regulate the market is generally to be regretted, as first of all Switzerland already had one of the strictest laws in the personal credit business with the Consumer Credit Act, and secondly, the market is functioning well as reflected in the different price structures and the number of competitors.

Further regulatory changes already came into force on 1 January 2016: owing to the new Money Laundering Ordinance of the Swiss Financial Market Supervisory Authority (FINMA), significantly enhanced customer authentication is required in the personal credit and leasing business. In addition, the self-regulating solution for advertising in the personal credit business has entered into force. The credit institutions participating in the convention agree to refrain from aggressive advertising and advertising targeted directly at young adults and to support debt prevention programmes. In addition, the right to revoke for telephone sales has been extended from seven to 14 days. This extended period of revocation also applies to both consumer credit and leasing agreements.

New products and cooperation programmes

cashgate launched an innovative product that meets a genuine need over the past financial year with the cashgateCAREER study loan. More detailed information on this can be found in the “Strategic projects” section.

The network of partner banks was also expanded in 2015 through exclusive collaboration agreements with Fribourg Cantonal Bank and money-net.ch, the online bank of Berne Cantonal Bank.

Joining forces to combat risks of overindebtedness

Together with Caritas, Pro Juventute and Alphapay, the Aduno Group is a member of the Plan B association founded in 2010. The objective of the association is to promote a responsible approach to money and consumerism by society and to help people who have got into debt difficulties. Seven financial skills programmes based on both prevention and anonymous personal debt counselling have been established to date. Plan B is one of the largest corporate citizenship programmes of the Swiss financial industry.

THE FOUNDATION FOR SUCCESS

The Aduno Group has a unique combination of success factors. This provides it with a strong position in the market and serves to drive future growth.

Integrated business model

The most important success factor for the Aduno Group is its integrated business model linking the Payment (Issuing and Acquiring) and Consumer Finance divisions. When it comes to cashless payments or credit financing, the Aduno Group can meet all the needs of its customers with its products and services anytime and anywhere – and all from a single source. The "Business model and strategy" section provides more information on this.

Technological trends

The Aduno Group benefits from technological trends that are driving growth in the sector forward. The focus here is on the digitisation of payment processes as well as e- and m-commerce solutions which will clearly become more important in future. Based on its strong market position in the Cards business as well as its expertise in data management, the Aduno Group is among the winners in this development. The Aduno Group sees itself as a centre of competence that turns the latest trends into product solutions for its customers and partners.

Shareholders and financing

The Aduno Group is wholly owned by a group of Swiss retail and cantonal banks, including the Raiffeisen Group, all the cantonal banks, Migros Bank, Bank Coop and a number of regional, commercial and private banks. The shareholder base is broad and has remained virtually unchanged since the founding of the Group.

The shareholder banks function as an important sales channel for the Aduno Group, particularly for the issuing of credit cards and the granting of personal credits. The total number of all cards issued was just under 1.4 million at the end of 2015.

With an equity ratio of 24.6 per cent at the end of 2015, the Aduno Group boasts a further increase in its solid capital base. The Group also made use of the favourable interest rate environment in the reporting year to float two bonds worth a total of CHF 200 million. The fact that these bonds were again placed successfully in a very short period of time underlines the confidence of the capital market in the company. The Aduno Holding currently has five bonds on the Swiss capital market worth a total of CHF 850 million.

Customer orientation

The Aduno Group aims to provide the best customer service in the industry. The employees of the Contact Center are available 365 days a year, 24 hours a day. They are continuously trained, further developed in terms of conversation quality, friendliness and specialist knowledge, and supported by state-of-the-art infrastructure. Regular customer satisfaction surveys ensure that the Aduno Group maintains its service excellence promise to end customers and distribution partners. As in previous years, the last customer survey revealed very high satisfaction. Cardholders rated the services of the Contact Center very positively. In particular, its friendliness, expertise and efficiency were highlighted.

In addition, the Viseca Contact Center is periodically subjected to a quality test by a Swiss market research institute. Using mystery calls and mystery e-mails involving fictional customer inquiries, the institute tests the quality of service on behalf of the Group and compares it with the contact centres of other financial services and credit card providers. In the tests conducted in 2015, the Viseca Contact Center scored top marks for a range of individual criteria. The very positive results confirm that the Aduno Group is on the right course and they encourage staff to continue providing top service in contact with customers.

IT systems

Stable and securely functioning IT systems are a basic requirement for ensuring that the Aduno Group can process transactions quickly and reliably. In addition, legal and contractual requirements stipulate that the processing of transactions must be transparent at all times. The Aduno Group has state-of-the-art IT systems that are aligned with the needs of its business processes. Given how dynamic the market is, the systems have a flexible design so they can be enhanced on an ongoing basis.

Employees

The Aduno Group aims to be a preferred employer for its current and potential employees. It not only creates an exciting working environment with innovative projects and a strong corporate culture, but also offers modern employment conditions, opportunities for training and further professional development and attractive salary models. Since its establishment, the Aduno Group has never stopped growing and has created many jobs above all thanks to this growth and its many projects. At the end of 2015 the Aduno Group employed 756 full-time equivalents, 61 more than at the end of 2014.

The centre of competence “education and training” is responsible for the Group-wide coordination and organisation of all education and training measures. It serves as a specialist in methodology and teaching, supporting trainers, coordinating external offerings and ensuring that synergies are exploited. The professional career path for specialists was launched in 2015 and aims to promote highly qualified specialists. These will be offered attractive advancement opportunities similar to a management career path.

Every two years, as in 2015, the Aduno Group conducts a Management Score Card survey during which the employees assess the performance of their line managers. Although these assessments were mostly positive, some deficits were also identified that will now be remedied through suitable measures.

ADUNO GROUP PROVES ITS QUALITIES

The Aduno Group held up well in 2015 in a challenging environment. Despite the strong franc and significant investments, net profit was lifted above the prior-year level, mainly driven by the Issuing and personal credit business. The already substantial equity base was strengthened further.

The Swiss economy has had a difficult year. The decision by the Swiss National Bank on 15 January 2015 to scrap the euro/franc floor brought a deterioration in Switzerland's competitive position. Export-oriented sectors, tourism, the hotel industry and cross-border retail trade were particularly affected. The domestic economy has cooled off noticeably compared with the previous year. While at the start of the year the State Secretariat for Economic Affairs (SECO) expected GDP growth of 2.1 per cent in 2015, the end result was a modest increase of 0.8 per cent.

However, the bleaker economic situation appears barely to have rubbed off on consumer sentiment. According to SNB statistics, the number of issued cards rose by 3.1 per cent in 2015 while the sales volume for these cards increased by 3.8 per cent. The number of debit cards rose by 1.7 per cent.

A different picture emerged in the personal credit business in 2015: in our estimation, as in the preceding years, there was a decline in new volumes of personal credits. The leasing business also suffered noticeably from the scrapping of the euro/franc floor as vehicle dealers had to grant massive euro discounts.

Continued good diversification of revenue streams

The Aduno Group reported revenue of CHF 484.1 million for the 2015 financial year, 4.2 per cent less than in the previous year. The Payment division posted turnover of CHF 353.7 million, and Consumer Finance contributed CHF 98.0 million. A further turnover of CHF 99.0 million can be attributed to the central financing unit.

Of the total turnover, 41.3 per cent came from commission income, 20.1 per cent from annual fees, in particular on cards, 21.5 per cent from interest income, and 17.1 per cent from other income. Within the income statement, the introduction of the new commission model for bank partners led to a significant shift between the income from annual fees, other income and selling expenses. In addition, the drop in commission income on the one hand reflects the reduction of the domestic interchange fee from 0.95 to 0.70 per cent as of 1 August. At the same time, the strengthening of the franc due to the SNB decision has meant that the value in Swiss francs of the foreign sales generated in euros was lower so that the commission charged for this was also down. These two influences resulted in a total negative effect amounting to CHF 12.0 million. The significant increase in income from annual fees is encouraging. In addition to the restructuring of the banking remuneration model mentioned, this is primarily attributable to the growing number of new cards issued as part of a bank package.

Profit up on the previous year, solid capital base

According to plan, the Aduno Group increased its operating result to CHF 84.1 million. This is an excellent performance, particularly in view of expenditure for innovation and strategic projects amounting to around CHF 30 million. Net profit amounts to CHF 74.6 million, slightly higher than in the previous year, allowing the Aduno Group to improve its profit margin of 14.7 per cent in the previous year to 15.4 per cent.

At the end of 2015, the Aduno Group had 756 employees (full-time equivalents), 61 more than at the end of 2014. The increase in staff numbers was significantly driven by the large number of projects in which the Aduno Group is currently involved. This led to higher personnel expenses in the reporting year.

The total assets as at 31 December 2015 amounted to CHF 2,207 million compared to CHF 2,246 million at the end of 2014. Equity amounted to CHF 543.2 million, compared to CHF 486.4 million at the end of 2014. At 24.6 per cent, the equity ratio has once again increased significantly on the previous year (21.7 per cent), thereby laying a solid foundation for further growth of the Group.

Issuing driving growth in the Payment business

The Payment division generated a transaction volume for the cards business of CHF 15.6 billion in the 2015 financial year, 1.2 per cent more than in the previous year. Around half of this volume was attributable to the Issuing business and the other half to the Acquiring business. The number of transactions grew substantially in 2015 by 11.3 per cent to 168 million, with the Issuing segment gaining more strongly than Acquiring.

At CHF 7.8 billion, Viseca's Issuing volume in 2015 was up 1.9 per cent on 2014. Unlike in the preceding years, the transaction volume rose primarily in Switzerland while abroad it virtually stagnated. The reason for this is the scrapping of the euro/franc floor which reduced the value in Swiss francs of the foreign sales generated in euros. The increase in volume was only able to compensate for the collapse in euro prices, but could not contribute to an increase in foreign sales in CHF.

New card sales grew by 6.2 per cent year-on-year. This is primarily thanks to the successful distribution collaboration with partner banks. Above all the offers of banks at which credit cards are sold as a package together with savings accounts and other products contributed to the growth. As a result, the total number of cards issued increased by 3.9 per cent to around 1.4 million cards.

The Aduno Group was unable to continue the growth of the previous year in the Acquiring business. Volumes rose only slightly by 0.6 per cent after having grown by 11.4 per cent in the previous year. Within the range of products, above all debit card sales volumes increased in the reporting year. One reason for this encouraging volume growth lies with newly gained key accounts recognised in income in the financial year. However, credit card sales were down on the prior-year level, largely because foreign visitors to Switzerland consumed less due to the strong franc.

Consumer Finance at prior-year level

Consumer Finance reported volumes for the past year on a par with 2014. At CHF 828.5 million, new business was up 1.3 per cent, while the credit portfolio contracted by 0.3 per cent to CHF 1,265 million.

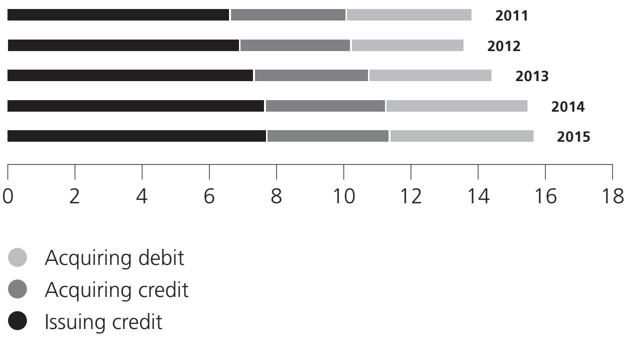
The personal credit segment did well in the reporting period. The dual-price model with enhanced transparency for customers led to new volume growth of 11.2 per cent in 2015. The portfolio grew by 10.4 per cent. cashgate accordingly gained market shares in a shrinking market while upholding its strict risk policy. Direct sales, the branch business and credit intermediaries made a decisive contribution to this result. Thanks to efficiency enhancements in processing, cashgate successfully coped with the volume growth with the same number of employees.

New sales in the leasing business are 8.0 per cent down on the prior-year level. The scrapping of the EUR/CHF minimum exchange rate caused the price level on the vehicle market to fall sharply. This was exacerbated by the strong competition from the manufacturers' own leasing companies that are pursuing an aggressive price policy.

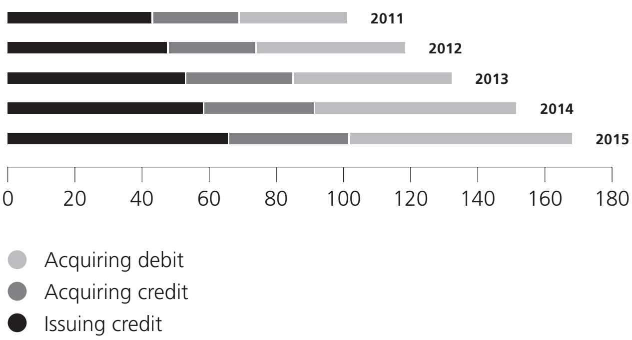
Financing: two bonds floated for CHF 200 million

Aduno Holding AG issued a floater for CHF 100 million and a fixed rate loan with a zero coupon for CHF 100 million in April 2015. Both bonds mature in 2017. With this dual issue, Aduno Holding AG is utilising the favourable environment on the capital market to reduce the financing costs. The fact that the two bonds were again placed successfully within a very short period of time underlines the confidence of the capital market in the Aduno Group. The ratings by the two lead banks, Credit Suisse and Zurich Cantonal Bank, are unchanged at "mid A with stable outlook".

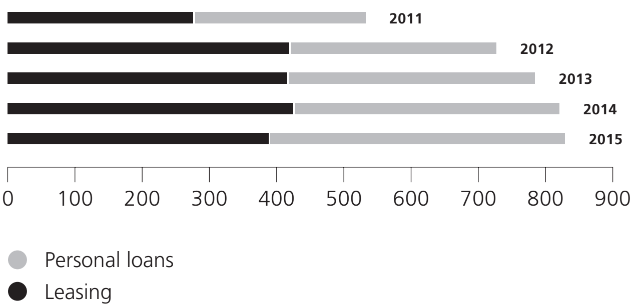
Payment turnover [in CHF billion]



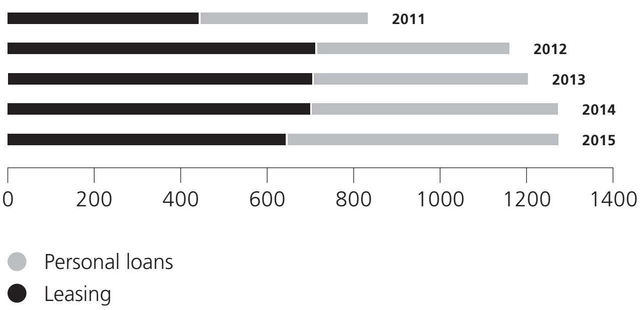
Card transactions [in million transactions]



Consumer Finance new business [in CHF million]



Consumer Finance portfolio [in CHF million]



OPENNESS AND RESPONSIBILITY

The Aduno Group is committed to clear and transparent information processes and the protection of the interests of its shareholders and investors.

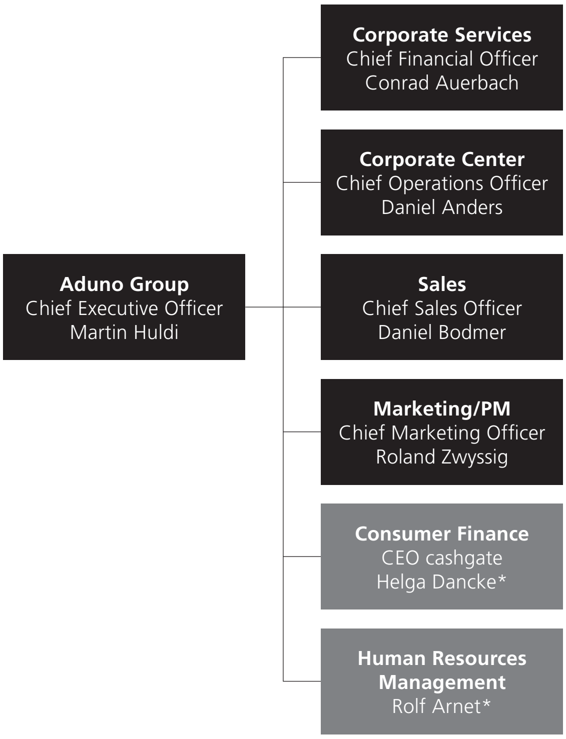
Introduction

This chapter describes the management and control principles applied at the top level of the Aduno Group in compliance with the guidelines concerning information on corporate governance of the SIX Swiss Exchange (corporate governance guidelines). Where no information is provided on a specific section of the SIX guidelines, this issue is not relevant for or does not apply to the Aduno Group.

Group structure and shareholders

As the holding company, Aduno Holding AG, with its registered office in Zurich, directly or indirectly owns all companies that belong to the Aduno Group. The scope of consolidation includes non-listed companies only. The Group structure with the business segments and legal entities is described on page 12. All the companies included in the scope of consolidation are listed in the financial report on page 83.

The operating management structure of the Aduno Group is reflected in the following organisational chart.



* Expanded Executive Board

Major shareholders

The following shareholders held more than three per cent of the company as at 31 December 2015.

Shareholder	Number of shares	Shareholding
Raiffeisen Switzerland Cooperative	6,382	25.53%
Zurich Cantonal Bank	3,679	14.72%
Entris Banking AG	3,500	14.00%
Migros Bank AG	1,750	7.00%
Vaud Cantonal Bank	1,201	4.80%
Berne Cantonal Bank	918	3.67%
BSI SA	893	3.57%
Basel-Land Cantonal Bank	771	3.08%

There is a shareholders' agreement binding on all shareholders. The contracting parties include all Swiss Cantonal Banks, Bank Coop AG, Raiffeisen Switzerland Cooperative, Entris Banking AG, BSI SA and Migros Bank AG. The agreement was renewed in 2010 for another ten years.

Capital structure

The share capital of Aduno Holding amounted to CHF 25 million on 31 December 2015. It is divided into 25,000 registered shares with restricted transferability and a par value of CHF 1,000 each. There is no authorised or contingent capital.

Changes in equity

Changes in equity over the past three years are shown as follows (values as at 31 December every year):

in 1,000 CHF

Equity	2015	2014	2013
Share capital	25,000	25,000	25,000
Capital reserve	94,101	94,101	94,101
Retained earnings	424,537	368,196	323,667
Shareholders' equity in the company	**543,638**	**487,297**	**442,768**
Non-controlling interests	(454)	(910)	(442)
Total equity	**543,184**	**486,387**	**442,346**

Shares and participation certificates

The share capital of Aduno Holding amounted to CHF 25 million on 31 December 2015, divided into 25,000 fully paid-in registered shares with restricted transferability with a par value of CHF 1,000 each. All shares are fully eligible for dividends for the 2015 financial year. There are no participation certificates.

Restriction of transferability

The transfer of shares is restricted in accordance with the articles of incorporation and requires the approval of the Board of Directors, who can refuse approval for the grounds listed in the articles of incorporation. The shareholders are bound by a shareholders' agreement, according to which the transfer of the company's shares is subject to restrictions. All parties to the shareholders' agreement have a right of first refusal to the shares of a shareholder wishing to sell its shares. Any shares remaining after the right of first refusal has not been exercised or not been exercised in full may be transferred to a third party. In addition, all parties to the shareholders' agreement have a pre-emptive right to buy shares vis-à-vis any third-party buyer. Finally, in the case of specific events as described in the shareholders' agreement, every shareholder has a right to purchase the shares of a shareholder affected by a purchase case.

No exceptions were approved in the reporting year.

There is no percentage clause. Nominee entries are not generally excluded. However, the Board of Directors can refuse to give its approval if the buyer does not explicitly declare that it has acquired the shares in its own name and on its own behalf.

The transferability restrictions pursuant to the articles of incorporation can be deleted by an amendment to the articles of incorporation approved by the Annual General Meeting of shareholders.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Board of Directors

The Board of Directors of Aduno Holding consists of seven members. Their CVs are based on information available to the Group. Only major mandates are listed.

I. Dr Pierin Vincenz

Swiss citizen

Dr Pierin Vincenz has been the Chairman of the Board of Directors of Aduno Holding AG since 1999. He represents the Raiffeisen Group of which he was the Chief Executive Officer between 1999 and 2015.
In addition to his activities on behalf of the Aduno Group, Pierin Vincenz is the Chairman of the Boards of Directors of Helvetia Insurance, Investnet Holding AG and Plozza Vini SA. He is also the Vice-Chairman of the Board of Directors of Leonteq Securities AG and active in various foundations.
Dr Pierin Vincenz studied business administration at the University of St. Gallen where he obtained a doctorate in economics.

II. Ewald Burgener

Swiss citizen

Ewald Burgener has been a member of the Board of Directors since 2013. As a member of the Executive Board of Valiant Bank, he is responsible, as the Chief Financial Officer, for finance and infrastructure. He previously held the same position with RBA-Holding AG and Entris Banking AG. Before being promoted to CFO, he held various managerial positions at RBA between 2002 and 2009. From 1996 to 2002, he worked as an auditor in the Financial Services organisational unit at Ernst & Young.
Ewald Burgener studied economics at the University of Berne and holds a lic.rer.pol. degree. He has been a Swiss certified auditor since 1999.

III. Rudolf Dudler

Swiss citizen

Rudolf Dudler has been a member of the Board of Directors since 1999 and Chief Financial Officer and member of the executive management of BSI SA, Lugano since 1999.
In addition to his activities on behalf of the Aduno Group and BSI SA, he is a member of the Boards of Directors of a number of companies, including Dynamic Securities Ltd., Athens, BSI Art Collection SA, Luxembourg, BSI Art Collection (Svizzera) SA, Lugano, and the Swiss Pro Venezia Foundation established by the Federal Council in 1972.
Rudolf Dudler is a Swiss certified accountant and financial controller.

IV. Christian Meixenberger

Swiss citizen

Christian Meixenberger has been a member of the Board of Directors since 2014. He has worked at Fribourg Cantonal Bank since 1997, where he had been Chief Information Officer until 2000. He has been the member of the Executive Board with responsibility for the Service Center sector since 2000. Previously, he worked for Credit Suisse in Geneva for three years, where he headed the Organisation, IT and HR Logistics departments. From 1987 to 1993 he worked at Centre Suisse d'Electronique et Microtechnique SA in Neuchâtel as an engineer and deputy head of the department for computer-supported development.
Christian Meixenberger graduated from the University of Neuchâtel with a master's degree in physics and electrical engineering and has an MBA from the Business School in Lausanne.

V. Dr. Harald Nedwed
Swiss citizen

Dr Harald Nedwed has been a member of the Board of Directors since 2007 and the Chief Executive Officer of Migros Bank AG since 2003.
In addition to his activities on behalf of the Aduno Group and Migros Bank AG, he is a member of the Board of Directors of the Mortgage Bond Bank of the Swiss Mortgage Institutions, the Chairman of the Investment Committee of the Migros Pension Fund, and a member of the Board of Trustees of the Migros Pension Fund.
Dr Harald Nedwed studied economics and business administration at the University of Basel, where he was also awarded his doctorate.

VI. Pascal Niquille
Swiss citizen

Pascal Niquille was elected as a member of the Board of Directors at the 2015 Annual General Meeting and appointed by the Board of Directors as its Vice-Chairman. He has been Chief Executive Officer of Zuger Kantonalbank since 2009. Prior to that he worked for UBS in various functions both in Switzerland and abroad from 1985.
As well as his activities on behalf of the Aduno Group, he is a member of the Executive Committee of the Association of Swiss Cantonal Banks, a member of the Board of Directors of the Pfandbriefzentrale der Schweizerischen Kantonalbanken AG and a member of the Board of Directors of Zug Chamber of Economy.
Pascal Niquille has a degree in law (lic. iur.) from the University of St. Gallen.

VII. Daniel Previdoli
Swiss citizen

Daniel Previdoli was elected as a member of the Board of Directors at the 2015 Annual General Meeting. He has been a member of Zürcher Kantonalbank's Executive Board since 2007 and Head of its Products, Services & Direct Banking business unit since 2014. Prior to this he worked for 11 years at UBS and held various functions at Credit Suisse both in Switzerland and abroad between 1987 and 1996.
As well as his activities on behalf of the Aduno Group, he is Chairman of the Board of Directors of Swisscanto Fund Management Company Ltd., a member of the Boards of Directors of Swisscanto Holding Ltd. and Homegate AG and Deputy Chairman of the Greater Zurich Area Foundation Board.
Daniel Previdoli has a degree in economics and social sciences (lic. rer. pol.) from the University of Fribourg.

Election and term of office

In accordance with the principle of re-electing the entire Board of Directors, the members of the Board of Directors are usually elected at the Annual General meeting for a term of three years. Re-election is possible. The term of office ends on the date of the Annual General Meeting held in the final year of the Board members' term of office. New members continue the term of office of their predecessors. The current term of office runs until the Annual General Meeting in 2017.

Internal organisation

The Board of Directors is the highest management body of the company and also supervises and monitors the Executive Board. It issues guidelines on the business policy and regularly receives information on the course of business. The Board of Directors delegates the management of operations in its entirety to the Executive Board, unless a ruling to the contrary exists under the law, the company's articles of incorporation or the organisational regulations.

The Board of Directors has the following tasks in particular:

– Managing the company and issuing the necessary directives;
– Determining the company's strategy in compliance with the corporate objective;
– Determining the organisational structure and issuing and amending the organisational regulations and its appendices as well as any other regulations;
– Defining the structure and principles of the accounting, financial control and financial planning systems;
– Appointing and dismissing persons entrusted with the management of business operations and representation duties, and organising their signatory powers in compliance with the articles of incorporation and the organisational regulations;
– Supervising the persons entrusted with the management of business operations, also with regard to compliance with the law, the articles of incorporation, the organisational regulations and all directives;
– Drawing up the annual report, preparing the Annual General Meeting and implementing its resolutions;
– Informing the judicial authorities in the event of overindebtedness;
– Deciding on share capital increases, provided that this power has been delegated to the Board of Directors (Art. 651 IV of the Swiss Code of Obligations), and determining share capital increases and the resulting amendments to the articles of incorporation.

The Board of Directors may pass resolutions on all matters that are not reserved for or were not transferred to the Annual General Meeting or another governing body of the company in accordance with the law, the articles of incorporation or the organisational regulations. The Board of Directors may appoint individual committees (e. g. for finance, audit, products, etc.) and delegate specific tasks and responsibilities to these committees. The activities of the committees are governed by regulations that must be approved by the Board of Directors.

Information and reports

At Board meetings, every member of the Board of Directors may request information on all matters concerning the company. In every meeting the Executive Board must report to the Board of Directors on the current course of business and the more important business cases. The members of the Board of Directors must be informed of any extraordinary events by circular letter without delay.

If a member of the Board of Directors wishes to receive information or inspect business documents outside of a meeting, a corresponding request must be submitted to the Chairman of the Board of Directors or the CEO with a copy to the Chairman. If required for the performance of a duty, every member can request access to the books and files from the Chairman. If the Chairman refuses a request for information, consultation or inspection, the Board of Directors must decide on the matter.

Committees

The Board of Directors has formed an Audit Committee and a Compensation Committee. The Board of Directors determines the composition of these committees. The committees meet regularly and prepare meeting minutes and recommendations for the attention of the regular Board meetings. The relevant chairmen of the committees determine the agendas for committee meetings. Before every meeting, the committee members receive documents to help them prepare for the topics listed on the agenda.

Audit Committee

The Audit Committee consists of three non-executive members of the Board of Directors. Currently, the members of the Audit Committee are Ewald Burgener (Chairman), Pierin Vincenz and Daniel Previdoli. In the 2015 financial year, the committee met three times. The meetings are attended by the CEO, the CFO and the internal audit unit, and the meeting to discuss the annual financial statements is also attended by the external auditors. The Audit Committee keeps minutes of its discussions and resolutions.

The principal task of the Audit Committee is to maintain a comprehensive and efficient audit concept for the Aduno Group. As regards the external auditors, its tasks comprise the following:
– Approving the focal points for the audit;
– Approving the auditors' report before the annual financial statements are submitted to the full Board of Directors for approval;
– Submitting a recommendation to the Board of Directors on which external auditors to propose for election as Group auditors to the Annual General Meeting.

As regards the internal audit unit, its tasks comprise the following:
– Approving the guidelines on the organisation and tasks of the internal audit unit;
– Approving the audit plans;
– Checking the audit results and recommendations received from the external or internal auditors.

Compensation Committee

The Compensation Committee consists of Dr Pierin Vincenz (Chairman), Rudolf Dudler, Dr Harald Nedwed and Pascal Niquille. The CEO and the Head of Human Resources of the Aduno Group also attend the meetings. The committee met three times in the 2015 financial year. The topics that are discussed include, inter alia, personnel risks, salary policies, labour market analyses, demographic trends and the remuneration paid to the CEO.

There are no other Board committees.

Information and control tools vis-à-vis the Executive Board

The Aduno Group has a comprehensive management information system (MIS). Monthly, quarterly, semi-annual and annual financial statements are prepared for the Group and the results per business segment are discussed in the management report. All figures are compared to and analysed against the budget and the prior year's figures and, if available, the forecast. The budget is drawn up once a year for the next financial year and is based on a previously approved three-year plan. At the meetings of the Board of Directors, the Board is informed of the status of budget compliance and any deviations from the forecast by the CEO and CFO and any measures required are discussed.


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Executive Board

I. Martin Huldi

Swiss citizen, born in 1962

Martin Huldi has been the Chief Executive Officer of the Aduno Group since 2011.
Previously, he was a member of the Executive Board of the Thurgau Cantonal Bank from 1998, and held various managerial positions with the Thurgau Cantonal Bank and Schweizerische Bankverein in Switzerland and abroad.
As part of his activities for the Aduno Group, Martin Huldi is Chairman of the Boards of Directors of Aduno Finance AG, AdunoKaution PLC, cashgate AG and Vibbek AG as well as a member of the Boards of Directors of Accarda AG and SwissWallet AG.
After obtaining his qualification as a Swiss certified banker, Martin Huldi concluded various executive management training courses in Switzerland, England and the US.

II. Conrad Auerbach

Swiss citizen, born in 1963

Conrad Auerbach has been the Chief Financial Officer of the Aduno Group since 2006.
Before joining the Group, he served as CFO and the head of infrastructure at IBM Switzerland from 2002 to 2006, and held various positions at IBM Switzerland and IBM EMEA from 1994 onwards.
He is a member of the Boards of Directors of cashgate AG, Accarda AG, Aduno Finance AG and AdunoKaution PLC.
Conrad Auerbach has a degree in business administration from the University of St. Gallen.

III. Daniel Anders

Swiss citizen, born in 1970

Daniel Anders has been the Chief Operations Officer of the Aduno Group since 2010.
Previously, Daniel Anders served as the Chief Executive Officer of the Corporate Center of the Aduno Group from 2004 to 2009 and as Chief Technology Officer of Viseca Card Services SA from 2001 to 2003. Before transferring to Viseca, he was the head of strategic development of electronic channels and economic organiser/project head at the Zurich Cantonal Bank.
He is a member of the Boards of Directors of cashgate AG and Vibbek AG.
Daniel Anders was awarded an executive master degree in business administration from the Zurich University of Applied Sciences in Winterthur after graduating as an engineer.

IV. Daniel Bodmer

Swiss citizen, born in 1964

Daniel Bodmer has been the Chief Sales Officer of the Aduno Group since 2013.
Before joining the Aduno Group, he was a member of the Executive Board and head of sales and marketing at ALSO Schweiz AG from 2007 to 2013. Previously, he worked for many years in the telecommunications industry as managing director and head of sales as well as in the IT industry as head of marketing and sales.
Daniel Bodmer is a member of the Board of Directors of AdunoKaution PLC.
Daniel Bodmer obtained his degree in economics from the University of Zurich.

V. Roland Zwyssig
Swiss citizen, born in 1966

Roland Zwyssig has been the Chief Marketing Officer of the Aduno Group since 2010.
Previously, he was Chief Executive Officer from 2006 to 2009, Chief Operating Officer from 2003 to 2005 and head of strategic projects from 2002 to 2003. Prior to that, he was head of business management at Viseca Card Services SA. Before moving to Viseca, he held various positions in various companies all in the credit card sector.
Roland Zwyssig is a member of the Board of Directors of Aduno Finance AG.
After obtaining his qualification as a Swiss certified merchant, Roland Zwyssig attended various management, sales and business administration courses.

Expanded Executive Board

VI. Rolf Arnet
Swiss citizen, born in 1956

Rolf Arnet has been Head of Human Resources Management of the Aduno Group since 2003. Previously, he worked in various managerial positions in the field of personnel development and personnel management at UBS, the Zurich Cantonal Bank and Rentenanstalt/Swiss Life, with several years on assignments abroad in New York and Tokyo.
After graduating from the Kaderschule in Zurich as an economist, Rolf Arnet attended a number of advanced specialist courses and obtained an MBA in International Management Consulting from the Universities of Applied Sciences of Northwestern Switzerland and Ludwigshafen.

VII. Helga Dancke
German citizen, born in 1953

Helga Dancke has been Chief Executive Officer of cashgate AG since 2008.
Before moving to the Aduno Group, she was the Chief Executive Officer of the German network operator TeleCash (First Data), and prior to this she worked in different managerial positions for the Barclays Bank PLC credit card provider in Germany for ten years, including as marketing director and as general manager. From 2000 to 2006, she served on the Board of Directors of Visa in Germany.
Helga Dancke was awarded her degree in business administration from the University of Erlangen-Nuremberg.

Compensation, participating interests and loans

The remuneration of the members of the Executive Board comprises a fixed basic salary, a variable bonus and a long-term incentive. The basic salary is agreed in the employment contract. The bonus is determined by the CEO in line with the resolutions of the Board of Directors and in accordance with the Aduno Group's staff manual. The long-term incentive is governed by the applicable contract. The framework conditions of the long-term incentive programme are determined by the Board of Directors.
Separate regulations govern the fees for the members of the Board of Directors.

Co-determination rights of shareholders

Restrictions on voting rights and proxies

Every share entitles the holder to one vote. Shareholders can be represented at the AGM by a person with a written power of attorney, who does not have to be a shareholder.

Statutory quorum

The following resolutions of the Annual General Meeting must be passed with at least two-thirds of the votes represented and the absolute majority of the par value of the shares represented:

1. The cases governed by Art. 704 par. 1 of the Swiss Code of Obligations;
2. The conversion of registered shares into bearer shares;
3. The cancellation or dilution of the transferability restrictions applying to the registered shares;
4. The liquidation of the company.

Invitation to the Annual General Meeting and agenda

The Annual General Meeting is convened by the Board of Directors, or if necessary by the auditors. The Annual General Meeting is held annually within six months after the close of the financial year. Extraordinary General Meetings are called as often as required, in particular in the cases prescribed by law. The Board of Directors must call Extraordinary General Meetings within four weeks if requested to do so by shareholders who together represent at least 10 per cent of the share capital. The invitation must be in writing and must contain the items on the agenda and the proposals.

The invitation to the Annual General Meeting must be issued at least 20 days before the date of the meeting by publication in the Swiss Commercial Gazette or by letter to the shareholders. The invitation to the meeting must include the items on the agenda and the proposals of the Board of Directors. No resolutions may be passed on matters that have not been notified in this manner, subject to the provisions on a meeting of all shareholders, except for a motion to convene an Extraordinary General Meeting or a motion to carry out a special audit.

The owners or representatives of all shares may hold an Annual General Meeting without complying with the rules regarding notice of the meeting (meeting of all shareholders). Such a meeting may discuss and pass valid resolutions on all matters within the power of the General Meeting, provided that the owners or representatives of all shares are present.

Entry in the share register

The Board of Directors maintains a share register in which the names and addresses of the owners and beneficiaries of registered shares are recorded. As far as the company is concerned, only those whose names are entered in the share register are deemed to be shareholders or beneficiaries.

Auditors

KPMG AG, Zurich has been company auditor since Aduno Holding AG was founded. The competent lead auditor has been carrying out this function since the 2014 financial year.

The fees of the Group auditor KPMG for services related to the audit of the annual financial statements of Aduno Holding AG and its subsidiaries and the consolidated financial statements of the Aduno Group amounted to CHF 1.0 million in the 2015 financial year. The Aduno Group also posted CHF 0.1 million for other advisory services provided by KPMG in the 2015 financial year. Of this CHF 0.05 million concerned tax consultancy and CHF 0.04 million was paid for various services.

The Audit Committee of the Board of Directors evaluates the performance, fees and independence of the external auditors and Group auditors every year and submits a proposal to the Board of Directors on which external auditors should be proposed for election to the Annual General Meeting. Every year, the Audit Committee also monitors the scope of the external audit, the audit plans and relevant procedures, and discusses the audit results with the external auditors.

Information policy

The annual report contains information on the full financial year and is enclosed with the invitation to the Annual General Meeting of shareholders. The Aduno Group prepares its corporate governance report in compliance with the disclosure obligations pursuant to Art. 4 et seq. of the corporate governance guidelines of the SIX Swiss Exchange. The Aduno Group prepares an interim report on the interim financial statements which is sent to all shareholders entered in the share register and published. This report is published at the latest on 31 August of the reporting year.

During the course of the year the Aduno Group issues media releases concerning important events that affect its business operations. The Aduno Group also reserves the right to publish and send out additional letters to shareholders to inform them of important events.

More information on the Aduno Group and its services can be found on the website www.aduno-gruppe.ch as well as the websites of the individual Group companies.

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Aduno Group
Consolidated income statement

For the year ended 31 December

In 1,000 CHF	Note	2015	2014 represented
Commission income	4	200,203	214,039
Annual fees		97,228	88,017
Interest income	5	103,835	103,413
Other income	6	82,791	99,689
Total revenue		**484,057**	**505,158**
Processing and service expenses	7	90,549	98,090
Distribution, advertising and promotion expenses	8	94,626	112,522
Interest expenses	5	24,882	25,400
Impairment losses from Payment and Consumer Finance	11	15,633	15,472
Personnel expenses	9	100,843	93,826
Other expenses	10	49,665	52,913
Depreciation	19	5,659	5,054
Amortisation	20	18,128	19,266
Total expense		**399,985**	**422,543**
Results from operating activities		**84,072**	**82,615**
Income from associates	21	3,024	3,318
Profit before income tax		**87,096**	**85,933**
Income tax expenses	12	12,479	11,835
Profit for the period		**74,617**	**74,098**
Profit attributable to:			
Owners of the company		74,900	74,604
Non-controlling interests		(283)	(506)
Earnings per share			
Basic earnings per share (in CHF)	13	2,996.01	2,984.16
Diluted earnings per share (in CHF)	13	2,996.01	2,984.16

Consolidated statement of comprehensive income

For the year ended 31 December

In 1,000 CHF	Note	2015	2014
Profit for the period as per the consolidated income statement		**74,617**	**74,098**
Other comprehensive income / (loss)			
Items that will not be reclassified to the income statement			
Remeasurement employee benefit obligations	28	3,822	(15,963)
Income tax relating to items not reclassified	12	(802)	3,330
Total items that will not be reclassified to the income statement, net		**3,020**	**(12,633)**
Items that may be reclassified subsequently to the income statement			
Foreign currency translation differences		(11)	(3)
Effective portion of changes in fair value of IRS cash flow hedges	17/30	(983)	(71)
Income tax relating to items that may be reclassified	12/17/30	154	(16)
Total items that may be reclassified subsequently to the income statement, net		**(840)**	**(90)**
Other comprehensive income / (loss)		**2,180**	**(12,723)**
Total comprehensive income for the period		**76,797**	**61,375**
thereof attributable to:			
Owners of the company		77,084	62,028
Non-controlling interests		(287)	(653)

Consolidated statement of financial position

In 1,000 CHF	Note	31.12.2015	31.12.2014
Assets			
Cash and cash equivalents	14	90,002	12,429
Receivables from business unit Payment, net	15	435,681	541,857
Short-term receivables from business unit Consumer Finance, net	15	465,126	462,627
Inventories	16	4,020	6,212
Other receivables	17	94,308	98,857
Prepaid expenses	18	40,458	47,099
Total current assets		**1,129,595**	**1,169,080**
Long-term receivables from business unit Consumer Finance, net	15	812,588	815,326
Property and equipment	19	26,503	20,398
Goodwill	20	134,129	134,129
Other intangible assets	20	56,731	62,515
Investments in associates	21	39,509	37,770
Deferred tax assets	12	8,057	6,428
Total non-current assets		**1,077,517**	**1,076,566**
Total assets		**2,207,112**	**2,245,646**
Liabilities			
Payables to counterparties	22	227,167	222,562
Other trade payables	23	12,590	4,338
Short-term interest-bearing liabilities	26	524,637	706,564
Other payables	24	20,515	20,926
Provisions	27	190	100
Accrued expenses and deferred income	25	92,762	94,326
Current tax payable		8,559	5,824
Total current liabilities		**886,420**	**1,054,640**
Long-term interest-bearing liabilities	26	722,634	646,760
Provisions	27	1,108	1,076
Employee benefit obligations	28	39,440	40,926
Deferred tax liabilities	12	14,326	15,856
Total non-current liabilities		**777,508**	**704,619**
Total liabilities		**1,663,928**	**1,759,259**
Equity			
Share capital	30	25,000	25,000
Share premium		94,101	94,101
Reserves		424,537	368,196
Equity attributable to the owners of the company		**543,638**	**487,297**
Non-controlling interests		(454)	(910)
Total equity		**543,184**	**486,387**
Total equity and liabilities		**2,207,112**	**2,245,646**

Consolidated statement of changes in equity

For the year ended 31 December 2015

In 1,000 CHF	Note	Share capital	Share premium
Balance at 1 January 2015		25,000	94,101
Profit for the period		0	0
Foreign currency translation differences		0	0
Effective portion of changes in fair value of cash flow hedges, net of tax	17/30	0	0
Remeasurement employee benefit obligations, net of tax	28	0	0
Total of other comprehensive income		0	0
Total comprehensive income for the period		**0**	**0**
Acquisition of non-controlling interests		0	0
Issuance of own equity instrument		0	0
Dividends to shareholders	30	0	0
Total transactions with owners		**0**	**0**
Balance at 31 December 2015		**25,000**	**94,101**

* Total equity attributable to owner of the Company

For the year ended 31 December 2014

In 1,000 CHF	Note	Share capital	Share premium
Balance at 1 January 2014		25,000	94,101
Profit for the period		0	0
Foreign currency translation differences		0	0
Effective portion of changes in fair value of cash flow hedges, net of tax	17/30	0	0
Remeasurement employee benefit obligations, net of tax	28	0	0
Total of other comprehensive income		0	0
Total comprehensive income for the period		**0**	**0**
Issue of share capital to non-controlling interests by subsidiaries		0	0
Dividends to shareholders	30	0	0
Total transactions with owners		**0**	**0**
Balance at 31 December 2014		**25,000**	**94,101**

* Total equity attributable to owner of the Company

The table is continued on the next page >

Translation reserve	Hedging reserve	Employee benefit obligations	Derivative on own Equity	Retained earnings	Total*	Non-controlling interests	Total equity
0	(1,041)	(23,056)	0	392,293	487,298	(910)	486,387
0	0	0	0	74,900	74,900	(283)	74,617
(7)	0	0	0	0	(7)	(4)	(11)
0	(829)	0	0	0	(829)	0	(829)
0	0	3,020	0	0	3,020	0	3,020
(7)	(829)	3,020	0	0	2,184	(4)	2,180
(7)	**(829)**	**3,020**	**0**	**74,900**	**77,084**	**(287)**	**76,797**
0	0	0	0	(743)	(743)	743	0
0	0	0	(116)	116	0	0	0
0	0	0	0	(20,000)	(20,000)	0	(20,000)
0	**0**	**0**	**(116)**	**(20,627)**	**(20,743)**	**743**	**(20,000)**
(7)	**(1,870)**	**(20,036)**	**(116)**	**446,566**	**543,638**	**(454)**	**543,184**

Translation reserve	Hedging reserve	Employee benefit obligations	Derivative on own Equity	Retained earnings	Total*	Non-controlling interests	Total equity
0	(955)	(10,566)	0	335,188	442,769	(422)	442,348
0	0	0	0	74,604	74,604	(506)	74,098
0	0	0	0	0	0	(3)	(3)
0	(87)	0	0	0	(87)	0	(87)
0	0	(12,489)	0	0	(12,489)	(144)	(12,633)
0	(87)	(12,489)	0	0	(12,575)	(147)	(12,723)
0	**(87)**	**(12,489)**	**0**	**74,604**	**62,029**	**(653)**	**61,375**
0	0	0	0	0	0	165	165
0	0	0	0	(17,500)	(17,500)	0	(17,500)
0	**0**	**0**	**0**	**(17,500)**	**(17,500)**	**165**	**(17,335)**
0	**(1,041)**	**(23,056)**	**0**	**392,293**	**487,298**	**(910)**	**486,387**

Consolidated statement of cash flows

For the year ended 31 December

In 1,000 CHF	Note	2015	2014 represented
Cash flows from operating activities			
Profit for the period		74,617	74,098
Adjustments for non-cash items:			
Interest income	5	(103,835)	(103,413)
Interest expense	5	24,882	25,400
Impairment loss	11	11,689	10,892
Income tax expenses	12	12,479	11,835
Depreciation	19	5,659	5,054
Amortisation	20	18,128	19,266
Loss on disposals of property and equipment and intangible assets	10	16	34
Income from associates	21	(3,024)	(3,318)
(Increase)/decrease in receivables from business unit Payment, net	15	106,176	(29,552)
(Increase)/decrease in receivables from business unit Consumer Finance, net	15	239	(71,486)
(Increase)/decrease in inventories	16	(77)	2,402
(Increase)/decrease in other trade receivables and other receivables	17	(936)	(8,377)
(Increase)/decrease in prepaid expenses	18	11,948	(3,902)
Increase/(decrease) in payables to counterparties	22	4,605	(47,077)
Increase/(decrease) in other trade payables	23	8,252	339
Increase/(decrease) in other payables	24	(1,429)	2,239
Increase/(decrease) in accrued expenses and deferred income	25	(1,564)	6,043
Increase/(decrease) in provisions	27	122	(69)
Increase/(decrease) in employee benefit obligations charged to the income statement	28	2,336	1,010
Foreign exchange and other financial items		(181)	(743)
Interest received		92,146	92,576
Interest paid		(24,882)	(24,483)
Income tax paid		(13,552)	(10,421)
Net cash from/(used in) operating activities		**223,814**	**(51,654)**
Cash flows from investing activities			
Acquisition of property and equipment	19	(9,481)	(5,616)
Disposals of property and equipment		173	0
Acquisition of other intangible assets	20	(12,345)	(10,360)
Acquisition of subsidiaries, net of cash acquired	3	0	(5,594)
Acquisition of investments in associates	22	(215)	0
Dividends received from associates	21	1,500	1,500
Net cash from/(used in) investing activities		**(20,368)**	**(20,069)**

Consolidated statement of cash flows

For the year ended 31 December

In 1,000 CHF	Note	2015	2014 represented
Cash flows from financing activities			
Proceeds from interest-bearing liabilities	26	600,510	1,102,045
Repayment of interest-bearing liabilities	26	(706,564)	(1,015,875)
Dividends paid	30	(20,000)	(17,500)
Issue of share capital to non-controlling interests by subsidiaries		0	165
Net cash from / (used in) financing activities		**(126,054)**	**68,835**
Net increase in cash and cash equivalents		77,392	(2,888)
Cash and cash equivalents at 1 January		12,429	15,545
Effect of exchange rate fluctuations on cash held		181	(229)
Cash and cash equivalents at 31 December	14	**90,002**	**12,429**

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1. Significant accounting policies

Aduno Holding AG ("Aduno Holding" or "Company") is a company domiciled in Zurich (Switzerland). The consolidated financial statements of the Company for the year ended 31 December 2015 comprise Aduno Holding and its subsidiaries (together referred to as the "Group").

Aduno Holding and its subsidiaries offer financial services in the business field of cashless payment solutions and consumer finance services.

The subsidiaries Viseca Card Services SA ("Viseca") and Aduno SA ("Aduno") operate services for cashless payments. The subsidiary cashgate AG ("cashgate") offers consumer finance facilities in the Swiss marketplace. Aduno Finance AG acts as centralised treasury operator.

Viseca issues credit cards ("card issuing") under the brand of the card schemes ("schemes") MasterCard and Visa to private and business consumers for Swiss retail banks, several co-branding partners and on its own account and operates all relevant customer service activities.

Aduno distributes credit and debit card acceptance contracts to merchants ("card acquiring"), sells the technical equipment for cashless payment solutions to merchants and operates all relevant services for its customers. Vibbek AG as well as Vibbek GmbH are developing software solutions for credit card terminals. AdunoKaution AG (formerly EuroKaution) was acquired in 2014 and offers rental guarantees to its customers.

cashgate offers leasing facilities and consumer loans to private and corporate customers.

The consolidated financial statements were approved by the Board of Directors on 21 April 2016 and will be submitted for final approval by the general meeting on 8 June 2016.

Basis of preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law. The consolidated financial statements are presented in Swiss francs, which is the Company's functional currency. All financial information presented in Swiss francs has been rounded to the nearest thousand, except when otherwise indicated. As a result, rounding differences may appear.

The consolidated financial statements are prepared on the historical cost basis except for derivative financial instruments that are stated at their fair value. Methods to determine fair values are further discussed in Note 31 Financial risk management.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if the results in the non-controlling interests have a deficit balance.

Fair value measurements
The basis for the measurement of assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (exit price) between market participants at the measurement date.

Use of estimates and judgements
The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the following notes:

- Note 12 – Income tax expenses (e.g. utilisation of tax losses)
- Note 15 – Receivables from Payment business and Consumer Finance (e.g. recoverability)
- Note 20 – Goodwill and other intangible assets (e.g. measurement of recoverable amounts of CGUs)
- Note 29 – Contingent liabilities (e.g. counterparty credit risk of internet transactions)

Voluntary changes in presentation
The Group aligns its external presentation of profit and loss to the internal used management structure. In its internal management reports the group strictly separates income and expense. Interest expenses including financial expenses (2014: CHF 25.4 million), as well as impairment losses (2014: CHF 15.5 million) are presented as part of the operating expense, and not as part of total revenue and financial expense respectively. In addition, expenses that can be allocated to core products of the Group's payment business (e.g. shipping and delivering costs) are no longer disclosed as other expenses (2014: decrease by CHF 8.6 million) but as part of the service expense (2014: increase by CHF 8.6 million). These changes in presentation are applied retrospectively. Due to these changes total revenue of 2014 increases by CHF 40.9 million to CHF 505.2 million and total expense increases by CHF 41.8 million to CHF 422.5 million. These changes in presentation have no impact on the profit of the period 2014 which remains at CHF 74.1 million.

Consolidation of subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

For each business combination, the Group elects to measure any non-controlling interests in the acquiree at acquisition date at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Investment in associates
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method and are recognised initially at fair value.

The Group's share of the net income or loss of the associates is reflected in profit or loss.

Eliminations
Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation of monetary items are recognised in profit and loss. Foreign currency effects on non-monetary items are recognised according to the fair value changes.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into CHF at exchange rates at year end. The income and expenses of foreign operations are translated to CHF at average exchange rates.

The following significant exchange rates applied:

CHF	Average 2015	Average 2014	Year end 2015	Year end 2014
EUR 1	1.0747	1.2254	1.0916	1.2146
USD 1	0.9733	0.9286	0.9991	0.9988
GBP 1	1.4853	1.5270	1.4811	1.5548

Revenue
Revenues comprise commission income, annual fee income, interest income and other income. Commission income and other income are recognised transaction-based as they occur. Annual fees are recognised on a straight-line basis over the duration of the service commitment and deferred accordingly. The commission income consists of transaction-based charges billed to customers of all business segments. Interest income includes interest earned from short-term loans granted to credit cardholders, long-term consumer credit loans granted to private customers, leasing facilities to private and corporate clients. Interest income is recognised using the effective interest method.

Processing and service expenses
Processing and service expenses comprise transaction-based interchange expenses to card issuers, processing expenses to services partners, card schemes expenses for the usage of the worldwide card scheme environment and other operational service expenses. Processing and service expenses are recognised as occurred.

Distribution, advertising and promotion expenses
The Group offers a variety of reward programs to its customers in its Payment business. These programs are partly run by third parties in which case the incurred loyalty costs are directly accounted as expenses.

The Group also offers a yearly fee rebate based on the volume of transactions of the customer. According to IFRIC 13, the estimated upcoming expenses are accounted as a reduction of the underlying income and increase the accrued expenses. The amount allocated to the annual fee rebates is recognised when the rebates are redeemed in the following year and, thus, the company has fulfilled its obligation.

In 2014 a new loyalty program was introduced to replace the existing programs in future. By their card spendings, customers collect points which are accounted in designated loyalty point accounts. Customers can spend their points by converting them to gifts, annual fee rebates as well as to rebate vouchers within the Group's partner network within the program. The estimated upcoming expenses increase the accrued expenses.

Interest expenses
Interest expenses consist of the refinancing expenses to finance the interest income generating businesses, losses on derivative financial instruments that are recognised in profit or loss, bank charges and expenses for bank guarantees. Interest expenses are recognised using the effective interest method.

Impairment losses from Payment and Consumer Finance
Impairment losses from the Payment business contain losses arising from bad debts, fraud and chargebacks. Impairment losses in the Consumer Finance business represent mainly the build-up of accruals for incurred but not reported losses.

Other expenses
Other expenses are recognised as they are incurred.

Depreciation and amortisation
Depreciation and amortisation comprises the depreciation of property and equipment and the amortisation of intangible assets. Depreciation and amortisation are recognised in profit or loss following the depreciation and amortisation policy outlined in the respective section on page 52.

Income tax expenses
Income tax expenses comprises current and deferred income tax. Income tax expenses is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share
The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for treasury shares.

As there are neither convertible bonds nor options or other potential shares outstanding there is no dilutive impact for the shares.

Segment reporting
An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses. The results of the business activities are regularly reviewed by the Group's chief operating decision maker to decide on resources to be allocated to the segments and assess its performance, for which separate financial information is available.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, postal and bank accounts and fixed-term deposits with an original maturity of less than 90 days from the date of acquisition. They are stated at amortised cost which equals the nominal value.

Receivables Payment / receivables Consumer Finance
Receivables from cardholders, from merchant activities, from Consumer Finance customers and from others are stated at their amortised cost using the effective interest method less impairment losses.

The allowance accounts in respect of receivables are used to record impairment losses unless the Group is satisfied or unless no recovery of the amount owing is possible, at which point the amount considered irrecoverable is written off against the receivable directly.

When assets are leased out under a finance lease, the present value of the future lease payments is recognised as a receivable. Future interest receivables from the financial lease are not considered in the receivables.

Derivative financial instruments, including hedge accounting
The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational and financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Currency swaps used by the Group do not qualify for hedge accounting; therefore they are accounted for as trading instruments.

The Group designates interest rate swaps as hedging instruments in a hedge of the variability in the interest payments related to variable interest-bearing financial liabilities (cash flow hedge).

The effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss in the same line item as the underlying transaction.

If the hedging instrument no longer meets the criteria for the hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, the hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction affects profit or loss.

Inventories
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and selling expenses.

Property and equipment
Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. The estimated useful lives are as follows:

	2015	2014
Furniture	5 – 10 years	5 – 10 years
IT & office equipment	3 – 5 years	3 – 5 years
Cars	4 – 5 years	4 – 5 years
Leasehold improvement	shorter of the useful life or the lease term	shorter of the useful life or the lease term
Buildings	25 years	25 years
Terminals	3 years	n/a

Useful lives and residual values are reviewed annually at the balance sheet date and any adjustments are recognised in profit or loss. Gains or losses arising from the disposal of items of property and equipment are recognised in profit or loss.

Goodwill
The Group measures goodwill at the acquisition date as the excess of the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed and the sum of the fair value of the consideration transferred plus the recognised amount of any non-controlling interests in the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is tested for impairment annually at the level of the cash-generating unit.

Other intangible assets
Intangible assets are stated at cost less accumulated amortisation and impairment losses.

Intangible assets consist of capitalised software costs, capitalised licences and client relationships, all of which have finite lives. The following intangible assets are amortised on a straight-line basis over their estimated useful lives:

	2015	2014
Software	generally 3 years specific software 2 to 10 years according to the useful life	generally 3 years specific software 2 to 10 years according to the useful life
Licences	3 years	3 years

Client relationships are amortised according to an average customer lifetime depending on the underlying business. The current recognised client relationships are amortised for 10 – 15 years, using the digital digressive method according to their useful life.

Amortisation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

Capitalised software includes external costs incurred when externally developing or purchasing computer software for internal use. The expenditure capitalised includes mainly external development and consultancy costs that are directly attributable to the external development of implementing and customising software.

Expenditures on internally generated goodwill and brands are recognised in profit or loss as incurred.

Impairment
The recoverable amount of non-current assets is reviewed at least once a year. If there is any indication of impairment (triggering event), an impairment test is performed. Goodwill is tested for impairment on an annual basis. If the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount, an impairment loss is recognised in profit or loss.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Payables
Payables to counterparties, other trade payables and other payables are stated at amortised cost.

Interest-bearing liabilities
They are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Leasehold restoration provisions
In accordance with the lease agreement and applicable constructive requirements / legal obligation, a provision for leasehold restoration in respect of reinstatement of the original condition of the premises is made when the Group enters into a contractual agreement. A related payment is recognised when the obligation event to restore the premises to the specified condition occurs.

Employee benefits
The post-employment plans qualify as defined benefit plans. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan asset is deducted.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in the comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past services or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

Dividends are recognised as a liability at the date they are declared.

New and revised standards and interpretations newly adopted by the Group
The Group applied the following new and revised accounting standards and interpretations for the first time:

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
Annual Improvements to IFRS's 2010–2012 Cycle
Annual Improvements to IFRS's 2011–2013 Cycle

The above-mentioned standards had no significant impact on the financial statements.

New and revised standards and interpretations

The following new and revised standards and interpretations have been issued, but are not yet effective and have not been applied early in these consolidated financial statements. Their impact on the consolidated financial statements of the Group has not yet been systematically analysed. The table reflects a first assessment conducted by the Group's management and the expected effects.

Standard / Interpretation			Effective date	Planned application by the Group
IFRS 9	Financial Instruments	***	1 January 2018	Reporting year 2018
IFRS 15	Revenue from Contracts with Customers	***	1 January 2018	Reporting year 2018
IFRS 16	Leases	***	1 January 2019	Reporting year 2019

Revisions and amendments of Standards and Interpretations			
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	*	1 January 2016	Reporting year 2016
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)	*	1 January 2016	Reporting year 2016
Equity Method in Separate Financial Statements (Amendments to IAS 27)	*	1 January 2016	Reporting year 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	*	The IASB has decided to defer the effective date for these amendments indefinitely	
Annual Improvements to IFRS's 2012–2014 Cycle	*	1 January 2016	Reporting year 2016
Disclosure Initiative (Amendments to IAS 1)	**	1 January 2016	Reporting year 2016

* No or no significant impacts are expected on the consolidated financial statements of the Group.
** Mainly additional disclosure and changes in presentation are expected.
*** Impact is currently assessed.

2. Segment reporting

For reporting and managerial purposes, management has divided the Group's business into four segments. The external segment reporting is based on the internal reporting to the chief operating decision maker, who is responsible for allocating resources and assesses the financial performance of the business. The Group Management Board has been identified as the chief operating decision maker, as it is responsible for the operational management of the entire Group and reviews the management reporting of each business segment on a monthly basis. The Group Management Board consists of the Group's Chief Executive Officer (CEO) as well as Chief Officers for Finance (CFO), Sales (CSO), Marketing and Product Management (CMO) and Operations (COO).

Payment
The business unit "Payment", provides services for cashless payments via credit, debit and customer cards to private and corporate customers and runs the relevant transaction and customer services around the business. The major part of the business is run through the brands of MasterCard and Visa.

The business unit "Payment" is operated through Viseca and its subsidiary Aduno as well as through Accarda AG, Vibbek AG and Vibbek GmbH. The major revenue streams in the business result from interchange fees and commissions, annual fees for cards and services, income from card transactions in foreign currency and interest fees. Since 2014, the newly acquired AdunoKaution AG (formerly EuroKaution AG) is comprised in this segment.

Consumer Finance
The business unit "Consumer Finance" sells and operates leasing contract and credit facilities for consumer goods to private and corporate clients. The business unit "Consumer Finance" is operated by the cashgate. The major income streams are interest income, commission income and fees for chargeable services.

Internal Financing
As the central treasury centre of the Group, Internal Financing provides financial services to the other members of the Group. The treasury services include the treatment of payments, the handling of foreign exchange transactions as well as the management of the Group's brand assets. The major income streams result from foreign currency transactions and interest income.

Corporate Functions
The business unit "Corporate Functions" contains intercompany consolidation items as well as the financial result of Aduno Holding.

Segments' assets and liabilities
The assets and liabilities, revenue and expenses are measured in accordance with the relevant IFRS Standards.

Information about major customers
There is no major customer in any of the business segments whose revenues amount to 10% or more of the segment's revenues (2014: none).

The following table presents certain information regarding the operating segments, based on management's evaluation and internal reporting structure, on 31 December 2015 and 2014 and for each of the years ended.

In 1,000 CHF	Payment 2015	2014 represented
Commission income	185,404	199,179
Annual fees	97,228	88,017
Interest income	15,424	19,909
Other income	55,638	72,778
Total revenue	**353,694**	**379,883**
Processing and service expenses	90,004	97,053
Distribution, advertising and promotion expenses	85,944	104,010
Interest expenses	13,093	18,106
Impairment losses from Payment and Consumer Finance	3,944	4,580
Personnel expenses	81,845	75,520
Other expenses	51,559	48,566
Depreciation	4,098	3,684
Amortisation	9,098	9,334
Total expense	**339,585**	**360,853**
Results from operating activities	**14,109**	**19,030**
Income from associates	3,024	3,318
Profit before income tax	**17,133**	**22,347**
Income tax expenses	3,069	4,187
Profit for the period	**14,064**	**18,160**

The table is continued on the next page >

Consumer Finance 2015	Consumer Finance 2014 represented	Internal Financing 2015	Internal Financing 2014 represented	Total operating segments 2015	Total operating segments 2014 represented	Corporate Functions / Consolidation 2015	Corporate Functions / Consolidation 2014 represented	Consolidated 2015	Consolidated 2014 represented
0	0	14,799	14,860	200,203	214,039	0	0	200,203	214,039
0	0	0	0	97,228	88,017	0	0	97,228	88,017
91,324	91,220	29,951	39,405	136,699	150,534	(32,864)	(47,121)	103,835	103,413
6,639	7,232	54,297	53,132	116,574	133,142	(33,783)	(33,454)	82,791	99,689
97,963	**98,452**	**99,047**	**107,397**	**550,704**	**585,732**	**(66,647)**	**(80,575)**	**484,057**	**505,158**
1,004	1,138	0	0	91,008	98,191	(459)	(101)	90,549	98,090
18,214	16,818	4	3	104,162	120,831	(9,536)	(8,309)	94,626	112,522
19,171	23,300	32,324	37,547	64,588	78,953	(39,706)	(53,553)	24,882	25,400
11,689	10,892	0	0	15,633	15,472	0	0	15,633	15,472
18,369	17,735	695	650	100,909	93,905	(66)	(79)	100,843	93,826
12,702	13,232	5,094	8,137	69,355	69,935	(19,690)	(17,022)	49,665	52,913
656	533	412	349	5,166	4,566	493	488	5,659	5,054
6,258	7,616	2,648	2,192	18,004	19,142	124	124	18,128	19,266
88,063	**91,264**	**41,177**	**48,878**	**468,825**	**500,995**	**(68,840)**	**(78,452)**	**399,985**	**422,543**
9,900	**7,188**	**57,870**	**58,520**	**81,879**	**84,738**	**2,193**	**(2,122)**	**84,072**	**82,615**
0	0	0	0	3,024	3,318	0	0	3,024	3,318
9,900	**7,188**	**57,870**	**58,520**	**84,903**	**88,055**	**2,193**	**(2,122)**	**87,096**	**85,933**
2,378	1,296	6,693	6,358	12,140	11,842	339	(7)	12,479	11,835
7,522	**5,891**	**51,177**	**52,162**	**72,763**	**76,213**	**1,854**	**(2,115)**	**74,617**	**74,098**

3. Change in scope of consolidation

Acquisition of AdunoKaution AG (formerly EuroKaution AG)

As per 10 November 2014 Aduno Holding AG purchased 100% of the shares of AdunoKaution AG (AdunoKaution) in Gattikon, canton of Zurich. The company's field of activity is to provide rental guarantees to its customers and is integrated in the Group's "Payment" segment.

The following purchase price allocation and the related fair value adjustments are final, no adjustment in measurement was made in the period. A goodwill of CHF 3.9 million has been identified.

In 1,000 CHF	Pre acquisition amounts	Fair value adjustments	Recognised values on acquisition
Cash and cash equivalents	6	0	6
Other receivables and other assets	529	(4)	525
Prepaid expenses and accrued income	9	389	398
Property and equipment	41	0	41
Intangible assets	207	3,574	3,781
Deferred tax assets	0	710	710
Total assets	**793**	**4,669**	**5,462**
Payables to counterparties	347	0	347
Other trade payables	361	0	361
Short-term interest-bearing liabilities	1,279	0	1,279
Other payables	7	0	7
Accrued expense and deferred income	699	150	849
Employee benefit obligation	0	275	275
Deferred tax liabilities	0	677	677
Total liabilities	**2,694**	**1,102**	**3,796**
Net identifiable assets and liabilities	**(1,901)**	**3,567**	**1,666**
Considerations transferred			5,600
Goodwill arising from acquisition			**3,934**
Considerations paid in cash			5,600
Cash acquired			6
Net cash outflow			**5,594**

Included in the Group's revenues for the year 2014 are CHF 0.2 million arising from the additional business from AdunoKaution. A loss of CHF 0.4 million is included in the profit for the year. If the acquisition of AdunoKaution had occurred on 1 January 2014, the Group's consolidated revenue would have been CHF 506.6 million and a consolidated profit after tax of CHF 73.1 million would have arisen. The acquisition incurred acquisition costs for the Group of CHF 0.1 million, which are included in the profit and loss statement under "Other expenses".

Change in the structure

As per 30 June 2014 Aduno Holding merged its subsidiary Revi-Leasing und Finanz AG into cashgate AG. The transaction did not change the scope of consolidation of the Group nor implied a loss or gain from merger on a Group level.

4. Commission income

In 1,000 CHF	2015	2014 represented
Interchange revenue and related revenue	138,664	152,068
Currency exchange commissions	38,845	39,296
Other commission revenue	22,694	22,675
Commission income	**200,203**	**214,039**

Impairment losses from the Payment business are presented separately in note 11 and no longer as part of the commission income. The total commission income 2014 is represented accordingly.

5. Interest income and interest expense

In 1,000 CHF	2015	2014 represented
Interest income	103,835	103,413
Interest expenses	24,882	25,400
Interest income, net	**78,953**	**78,013**

The interest income contains income from the Group's Consumer Finance activities and also from credit lines arising out of the Payment business.

In the Payment business, credit cardholders are eligible to convert their debit on the credit card into a consumer credit for which the Group then charges interest for the period of the short-term loan.

The interest expenses are the refinancing expenses to finance the open credit lines of the Payment and Consumer Finance businesses. Impairment losses are presented separately in note 11 and no longer as part of the net interest income and expense. The net interest income 2014 is represented accordingly.

6. Other income

In 1,000 CHF	2015	2014
Foreign exchange gain or loss, net	43,525	42,393
Income from services	30,787	29,105
Income from terminal sales	1,836	3,473
Other income	6,643	24,717
Other income	**82,791**	**99,689**

Foreign exchange gains and losses arise on transactions which are not settled in Swiss francs. Customers in the Group's Payment business are billed based on a typical exchange rate close to spot rates whereas the Group is billed near the interbank rate (interbank rate plus Group's credit spread).

The position "other income" mainly contains revenue from account processing fees for partners. The decrease of this position compared to 2014 is on one hand due to a one-off effect driven by the introduction of the Group's new loyalty program in 2014 On the other hand the shift in the compensation model of partner banks led to a shift between several positions of the Profit and Loss.

7. Processing and service expenses

In 1,000 CHF	2015	2014 represented
Interchange expenses	32,188	35,571
Cards processing expenses	32,843	34,294
Service expenses	23,156	23,527
Material expenses	2,362	4,698
Processing and service expenses	**90,549**	**98,090**

8. Distribution, advertising and promotion expenses

In 1,000 CHF	2015	2014
Acquisition expenses	72,216	74,272
Rewards and redemption expenses	3,434	22,959
Advertising and promotion expenses	17,883	14,645
Costs for distribution	1,093	645
Distribution, advertising and promotion expenses	**94,626**	**112,522**

Rewards and redemption expenses significantly decreased in 2015 due to restructuring of the customer loyalty program, including the valuation.

9. Personnel expenses

In 1,000 CHF	2015	2014
Wages and salaries	80,080	74,076
Social security contributions	7,987	7,654
Expenses related to defined benefit plans	8,279	6,625
Other personnel expenses	4,497	5,471
Personnel expenses	**100,843**	**93,826**

10. Other expenses

In 1,000 CHF	2015	2014 represented
Audit and professional services	15,217	21,299
IT expenses	16,322	14,548
Telephone and postage	2,250	2,288
Premises expenses	7,549	6,998
Travel and representation	1,070	1,007
Loss on sale of property and equipment and intangible assets	16	34
Other administration expenses	7,241	6,739
Other expenses	**49,665**	**52,913**

11. Impairment losses from Payment and Consumer Finance

In 1,000 CHF	2015	2014
Impairment losses on commission income	3,944	4,580
Impairment losses on interest income	11,689	10,892
Impairment losses	**15,633**	**15,472**

The impairment losses on commission income is attributable to losses arising from bad debts, fraud and charge back in the Payment business, whereas the impairment losses on interest income mainly represents incurred but not reported losses in the Consumer Finance business.

12. Income tax expenses

Expenses recognised in the consolidated statement of comprehensive income

In 1,000 CHF	2015	2014
Current income tax expenses	16,286	8,235
Deferred tax expenses (+) / income (–)	(3,807)	3,600
Total income tax expenses	**12,479**	**11,835**

Average applicable tax rate

The Group calculated an average applicable income tax rate of 13.3% in 2015 and 13.7% in 2014, which represents the weighted average income tax rate calculated on the basis of the Group's operating subsidiaries in Switzerland.

Reconciliation of effective tax rate

The average effective income tax rate for 2015 is 14.3% and 13.7% for 2014 and has been derived as shown in the following table.

In 1,000 CHF	2015	2014
Profit before income tax	87,096	85,933
Income tax expenses at the average applicable tax rate	12,039	12,241
Effect from non-taxable income	(203)	(282)
Tax effect on income at different rates	643	(124)
Effective income tax expenses	**12,479**	**11,835**

Deferred tax assets and liabilities

The following table shows in which lines of the Group's balance sheet tax assets and liabilities were recognised on temporary differences between tax base and IFRS carrying amounts.

The adoption of the deferred tax balances formerly accounted in income has been recognised in the tax expenses of the year, whereas the adoption of those amounts formerly accounted in equity has been recognised directly in the comprehensive income.

Tax loss carry-forwards

The Group has total tax loss carry-forwards of CHF 15.2 million as per 31 December 2015 (2014: CHF 10.6 million). There are no unrecognised tax losses carry-forwards.

Income taxes directly recognised in equity

A decrease of employee benefit obligations of CHF 3.8 million was recognised in other comprehensive income in 2015 (2014: increase of CHF 15.8 million). Out of this operation, the Group recognised CHF 0.8 million of deferred tax liabilities in other comprehensive income (2014: CHF 3.3 million of deferred tax assets).

A negative change in fair value of cash flow hedges of CHF 1.0 million was recognised as a liability in 2015 (2014: negative change of CHF 0.1 million). Out of this operation, the Group recognised deferred tax assets of CHF 0.2 million in other comprehensive income (2014: tax assets of less than CHF 0.1 million).

	Assets		Liabilities		Net	
In 1,000 CHF	2015	2014	2015	2014	2015	2014
Receivables	1,716	31	(5,907)	(4,320)	(4,191)	(4,289)
Prepaid expenses and accrued income	0	0	(2,338)	(5,295)	(2,338)	(5,295)
Property and equipment	0	63	(351)	(429)	(351)	(366)
Intangible assets	3,319	4,922	(22,522)	(24,509)	(19,203)	(19,587)
Interest-bearing liabilities	594	414	(417)	(417)	177	(4)
Accrued expense and deferred income	8,195	9,500	0	0	8,195	9,500
Provisions	49	60	0	0	49	60
Employee benefit obligations	8,211	8,532	0	0	8,211	8,532
Other	0	95	0	0	0	95
Tax value of loss carry-forwards recognised	3,181	1,927	0	0	3,181	1,927
Tax assets / (liabilities)	**25,265**	**25,542**	**(31,535)**	**(34,970)**	**(6,269)**	**(9,428)**
Set off of tax	(17,208)	(19,114)	17,208	19,114	0	0
Net tax assets / (liabilities)	**8,057**	**6,428**	**(14,326)**	**(15,856)**	**(6,269)**	**(9,428)**

Movement in deferred tax assets and liabilities during the year

In 1,000 CHF	2015	2014
Deferred tax assets		
Balance at 1 January	6,428	8,995
Recognised in income	1,432	(2,411)
Recognised in other comprehensive income	197	833
Set off of tax due to merger	0	(1,923)
Acquired through business combinations	0	710
Balance at 31 December	**8,057**	**6,428**
Deferred tax liabilities		
Balance at 1 January	(15,856)	(18,410)
Recognised in income	2,375	(1,189)
Recognised in other comprehensive income	(845)	2,497
Set off of tax due to merger	0	1,923
Acquired through business combinations	0	(677)
Balance at 31 December	**(14,326)**	**(15,856)**

13. Earnings per share

In 1,000 CHF	2015	2014
Profit attributable to owners of the company	74,900	74,604
Issued ordinary shares at 1 January	25,000	25,000
Weighted average number of ordinary shares at 31 December	**25,000**	**25,000**
Earnings per share in CHF	2,996.01	2,984.16

Diluted earnings per share

There are neither convertible bonds nor options or other potential shares outstanding and therefore there is no dilutive impact on the earnings.

14. Cash and cash equivalents

In 1,000 CHF	2015	2014
Cash	7	9
Post bank	78	336
Bank	89,917	12,084
Cash and cash equivalents	**90,002**	**12,429**

Cash and cash equivalents are mainly held in CHF, EUR and USD. The percentage of these currencies of the total cash and cash equivalents held is shown in the table below.

	2015	2014
CHF	99.2%	92.4%
EUR	0.2%	3.0%
USD	0.1%	1.4%
Other	0.5%	3.1%
Total	**100.0%**	**100.0%**

15. Receivables from Payment and Consumer Finance

In 1,000 CHF	2015	2014
Receivables from card holders	345,275	393,097
Receivables from debt collection	4,229	5,729
Receivables for which fraud is assumed	251	241
Receivables from card schemes	84,314	138,214
Other receivables from Payment business	3,128	6,489
Allowance for doubtful debts	(1,516)	(1,913)
Total receivables from business unit Payment	**435,681**	**541,857**

In 1,000 CHF	2015	2014
Short-term receivables from Consumer Finance	474,065	468,753
Short-term allowance for doubtful debts	(8,939)	(6,127)
Short-term receivables from Consumer Finance	**465,126**	**462,627**
Long-term receivables from Consumer Finance	828,553	826,187
Long-term allowance for doubtful debts	(15,965)	(10,861)
Long-term receivables from Consumer Finance	**812,588**	**815,326**
Total receivables from Consumer Finance	**1,277,714**	**1,277,953**

The aging of the receivables contained in the balance sheet that are not individually impaired at the reporting date is as follows:

In 1,000 CHF	Gross amount 2015	Allowance 2015	Gross amount 2014	Allowance 2014
Receivables from card holders				
Not past due	341,556	0	388,795	0
Past due 1 – 30 days	2,713	0	3,019	0
Past due 31 – 60 days	629	0	837	0
Past due 61 – 90 days	322	0	342	0
Past due for more than 90 days	55	0	104	0
Total	**345,275**	**0**	**393,097**	**0**
Receivables from debt collection				
Past due for more than 90 days	4,229	(1,226)	5,729	(1,620)
Total	**4,229**	**(1,226)**	**5,729**	**(1,620)**
Receivables for which fraud is assumed				
Past due 1 – 30 days	196	(58)	199	(68)
Past due 31 – 60 days	20	(20)	25	(25)
Past due 61 – 90 days	26	(26)	15	(15)
Past due for more than 90 days	9	(9)	1	(1)
Total	**251**	**(113)**	**241**	**(109)**
Receivables from card schemes and others				
Due on sight	87,174	0	144,102	0
Past due	268	(177)	601	(184)
Total	**87,442**	**(177)**	**144,703**	**(184)**
Receivables from business unit Consumer Finance				
Past due	29,842	(747)	24,428	
Due on sight	8,875	(222)	8,976	
Due within up to 3 months	131,313	(2,280)	124,866	
Due within 4 – 12 months	304,035	(5,690)	310,483	
Total current receivables	**474,065**	**(8,939)**	**468,753**	**(6,127)**
Due within 1 – 3 years	627,931	(12,072)	627,175	
Due after more than 3 years	200,622	(3,893)	199,012	
Total non-current receivables	**828,553**	**(15,965)**	**826,187**	**(10,861)**
Total	**1,302,618**	**(24,904)**	**1,294,941**	**(16,988)**

Receivables from Payment business
Receivables from cardholders consist of regular open balances on the credit card accounts of credit cardholders. Open balances from cardholders due for more than 90 days are transferred to a dedicated and monitored collection portfolio. The balance of the collection portfolio amounts to CHF 4.2 million (2014: CHF 5.7 million) and is shown under receivables from debt collection.

If a cardholder transaction tends to be fraudulent, the respective balance is transferred to a dedicated fraud portfolio until the case is settled, CHF 0.3 million as per 31 December 2015 (2014: CHF 0.2 million). An adequate allowance is set up for all receivables for which fraud is assumed. The respective balance of all fraudulent transactions under clarification is shown under receivables for which fraud is assumed.

The open settlement balance to the card schemes of CHF 84.3 million (2014: CHF 138.2 million) reflects the transmitted merchant transactions of the last days before closing. The open settlement balances to the card schemes are settled daily. In the history of the company all daily balances to the schemes have been settled as announced by the card schemes. Therefore no allowances for doubtful debts were built.

Receivables from terminal sales are open balances to customers totalling CHF 1.3 million (2014: CHF 1.4 million) and are contained in the other receivables from the Payment business. This is 0.3% (2014: 0.3%) of the total receivables of the Payment business. Allowances for doubtful debts are built according to the aging of the overdue receivables and for receivables overdue for more than 12 months are provided for 100%.

Other receivables from the Payment business also contain receivables related to the currency conversion amounting to CHF 1.9 million (2014: CHF 4.5 million). Such receivables are usually settled within less than one week.

Receivables from Consumer Finance activities
These receivables consist of consumer loans and finance lease receivables from out of the car leasing business. Finance lease receivables are collateralised by the financed cars while consumer loans are not collateralised.

Open balances from the Consumer Finance segment due for more than 90 days are transferred to a dedicated and monitored collection portfolio. Allowances for doubtful debts are built using sophisticated analytical and statistical methods as described below. The total balance is shown as "Allowance for doubtful debts".

In 1,000 CHF	2015	2014
Receivables from consumer loans	658,913	593,235
Receivables from finance lease	643,705	701,706
Total receivables from business unit Consumer Finance	**1,302,618**	**1,294,941**

Receivables from finance lease

In 1,000 CHF	2015	2014
Current receivables from finance lease		
Gross investment in finance lease	295,423	288,876
Unearned finance income	54,647	32,901
Present value of minimum lease payments	**240,776**	**255,471**
Non-current receivables from finance lease		
Gross investment in finance lease	441,993	484,445
Unearned finance income	39,064	38,210
Present value of minimum lease payments	**402,929**	**446,235**
Gross receivables from finance lease		
Due within up to 1 year	295,423	288,372
Due within 1 – 5 years	441,993	484,445
Unearned finance income	93,711	71,111
Present value of minimum lease payments	**643,705**	**701,706**

Allowances for doubtful debts
Recognised allowances for doubtful debts for the business segments at the reporting date are shown in the following tables.

In 1,000 CHF	2015	2014
Allowance for doubtful debts, business unit Payment		
Balance as of 1 January	(1,913)	(965)
Increase / decrease	397	(948)
Balance as of 31 December	**(1,516)**	**(1,913)**

Allowance for doubtful debts on receivables from cardholders is composed of impairment on receivables due to late payment, fraudulent payments and non-recoverable chargeback at both specific and collective level. All individually significant receivables from cardholders are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. The allowance for all three categories is determined according to historical data based on sophisticated analytical methods and evaluation models. The allowance is adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than those suggested by historical trends. Management qualifies the allowance for doubtful debts in the Payment segment as adequate.

In 1,000 CHF	2015	2014
Allowance for doubtful debts, business unit Consumer Finance		
Balance as of 1 January	(16,988)	(18,942)
Increase / decrease	(7,916)	1,954
Balance as of 31 December	**(24,904)**	**(16,988)**

Allowance for doubtful debts on receivables from Consumer Finance is composed of impairment on receivables due to late payment and also comprises a portion for those found not to be specifically impaired but are then collectively assessed for any impairment that has been incurred but not yet identified. The Group recognises for allowance in its Consumer Finance business at the time the credit facility or the leasing contract is paid out to the customer.

The collective allowance is determined for clusters of customers by combining historical data based on sophisticated analytical methods and evaluation models considering the particular risks of each cluster. The allowance is adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than those suggested by historical trends. Currently, no specific allowances that are individually significant are recognised on receivables in the Consumer Finance segment. Management qualifies the allowance for doubtful debts in the Consumer Finance segment as adequate.

Except for allowances for fraudulent transactions in the Payment business, all impairments of receivables are due to late payment of customers or those that have been incurred but not yet identified. Based on the Group's experience, impairments are calculated as a percentage of the overdue balance by customers, including the estimated amount of receivables becoming overdue in the near future.

In the Payment and Consumer Finance business, on average about 98% (2014: 98%) of the receivables outstanding are not past due. Based on past experience, the Group includes the impairment allowance for these receivables in the allowance calculated on the basis of the default risk of the total debts.

16. Inventories

In 1,000 CHF	2015	2014
Raw material	2,221	1,793
Terminals – new	872	3,425
Terminals – used	927	994
Total inventories	**4,020**	**6,212**

In 2015 rented terminals with a book value of CHF 2.5 million were transferred to property and equipment.

In 2015 costs of CHF 5.6 million were recognised as an expense (2014: CHF 9.7 million). Write-downs of CHF 0.1 million were recognised on inventories to net realisable value (2014: CHF 1.3 million).

17. Other receivables

In 1,000 CHF	2015	2014
Other receivables from VAT, withholding tax and salary benefits	7,019	6,687
Other receivables from partners	1,692	1,488
Deposits and prepayments	80,590	80,592
Derivative financial instruments, held for trading	131	83
Derivative financial instruments, used for hedging	0	227
Other	4,876	9,780
Total other receivables	**94,308**	**98,857**

Foreign exchange contracts – trading

In 1,000 CHF	2015	2014
Notional amount	63,849	78,623
Positive fair value	131	83
Negative fair value	(234)	(412)

Interest rate swaps – cash flow hedges

In 1,000 CHF	2015	2014
Notional amount	290,000	586,000
Positive fair value	0	227
Negative fair value	(1,991)	(1,172)

Derivative financial instruments
The Group uses only foreign exchange contracts to hedge its foreign exchange risk exposure. As the Group does not comply with all documentation requirements under IAS 39, these derivatives do not qualify for hedge accounting and are therefore classified as "held for trading".

Cash flow hedges
The Group also uses interest rate swaps to hedge its exposure to interest changes arising from the Payment and Consumer Finance business. These instruments qualify for hedge accounting.

The Group has a permanent requirement to refinance outstanding receivables due by cardholders and consumer finance customers. The refinance need is fulfilled with bank loans with durations from one to 90 days and refers to Libor conditions. The Group enters into interest rate swaps to hedge its exposure to fluctuating interest rates on its refinancing. It swaps Libor interest payments into fixed interest payments. The total underlying amount of the contracted swaps as per 31 December 2015 amounted to CHF 290 million (2014: CHF 586 million).

All cash flow hedges of the IRS were assessed to be highly effective as at 31 December 2015 and as at 31 December 2014. A net unrealised loss of CHF 1.0 million (2014: net unrealised loss of CHF 0.1 million), with a related deferred tax asset of CHF 0.2 million (2014: related deferred tax asset of less than CHF 0.1 million) was included in other comprehensive income in respect of these contracts, whereas no (2014: none) hedging reserve was recycled to the statement of comprehensive income.

Cash flows from hedges occurring in the future are disclosed in Note 31, the profit and loss effect being the same as the cash flow amounts.

Financial instruments carried at fair value, fair value hierarchy
The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

Input for Level 2 valuation
Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the non-performance risk when appropriate.

18. Prepaid expenses

In 1,000 CHF	2015	2014
Prepaid expenses to partners	23,678	35,528
Other	16,780	11,571
Total prepaid expenses	**40,458**	**47,099**

In the Payment segment, the Group pays commissions to its distribution partners (mainly the shareholder banks). The commission contains a reimbursement for annual charges for credit cards. The share paid to the partner but not yet consumed is recognised as a prepaid expense to partners.

Concerning the Consumer Finance activities, the Group recognises commissions paid to its sellers and distribution partners. The commission is periodically allocated to the expected duration of the contract.

2015

In 1,000 CHF	Level 1	Level 2	Level 3	Total
Derivative financial instruments	0	131	0	131
Total financial assets carried at fair value	**0**	**131**	**0**	**131**
Derivative financial instruments	0	(2,225)	0	(2,225)
Total financial liabilities carried at fair value	**0**	**(2,225)**	**0**	**(2,225)**

2014

In 1,000 CHF	Level 1	Level 2	Level 3	Total
Derivative financial instruments	0	310	0	310
Total financial assets carried at fair value	**0**	**310**	**0**	**310**
Derivative financial instruments	0	(1,584)	0	(1,584)
Total financial liabilities carried at fair value	**0**	**(1,584)**	**0**	**(1,584)**

19. Property and equipment

In 1,000 CHF	Furniture	IT & office equipment	Cars	Leasehold improvement	Buildings	Terminals	Total
Costs							
Balance at 1 January 2015	3,528	14,824	1,066	9,968	1,933	0	31,319
Acquisitions	101	6,300	540	2,539	0	1	9,481
Transfers	0	0	0	0	0	5,925	5,925
Disposals and other changes	0	(1,172)	(369)	(25)	0	0	(1,566)
Effect of movements in foreign exchange	0	(3)	0	0	0	0	(3)
Balance at 31 December 2015	**3,629**	**19,949**	**1,237**	**12,482**	**1,933**	**5,926**	**45,156**
Depreciation and impairment losses							
Balance at 1 January 2015	(2,158)	(4,493)	(394)	(3,681)	(195)	0	(10,921)
Depreciation charge for the year	(339)	(3,731)	(257)	(1,080)	(63)	(189)	(5,659)
Transfers	0	0	0	0	0	(3,469)	(3,469)
Disposals and other changes	0	1,173	197	25	0	0	1,396
Effect of movements in foreign exchange	0	1	0	0	0	0	1
Balance at 31 December 2015	**(2,497)**	**(7,050)**	**(454)**	**(4,736)**	**(258)**	**(3,658)**	**(18,653)**
Carrying amount							
At 1 January 2015	1,371	10,331	671	6,287	1,737	0	20,398
At 31 December 2015	1,132	12,899	783	7,746	1,675	2,268	26,503

In 1,000 CHF	Furniture	IT & office equipment	Cars	Leasehold improvement	Buildings	Terminals	Total
Costs							
Balance at 1 January 2014	3,435	14,610	1,040	9,421	1,933	0	30,438
Acquisitions through business combinations (see Note 3)	27	15	0	0	0	0	42
Other acquisitions	112	4,733	115	656	0	0	5,616
Disposals and other changes	(46)	(4,533)	(90)	(109)	0	0	(4,777)
Balance at 31 December 2014	**3,528**	**14,824**	**1,066**	**9,968**	**1,933**	**0**	**31,319**
Depreciation and impairment losses							
Balance at 1 January 2014	(1,841)	(5,644)	(245)	(2,748)	(132)	0	(10,611)
Depreciation charge for the year	(363)	(3,381)	(207)	(1,041)	(63)	0	(5,054)
Disposals and other changes	46	4,532	57	109	0	0	4,744
Balance at 31 December 2014	**(2,158)**	**(4,493)**	**(394)**	**(3,681)**	**(195)**	**0**	**(10,921)**
Carrying amount							
At 1 January 2014	1,595	8,966	795	6,672	1,801	0	19,828
At 31 December 2014	1,371	10,331	671	6,287	1,737	0	20,398

Non-cancellable operating lease rentals are payable as follows:

In 1,000 CHF	2015	2014
Less than one year	4,365	3,862
Between one and five years	17,377	12,298
Total	**21,742**	**16,159**

Operating lease includes the Group's offices in the cantons Zurich, St. Gallen, Ticino, Vaud, Fribourg, Geneva and Berne.

During the year ended 31 December 2015, CHF 4.6 million was recognised as an expense in the consolidated statement of comprehensive income in respect of operating leases (2014: CHF 4.2 million).

Fire insurance

In 1,000 CHF	2015	2014
Insured asset	**35,850**	**31,590**

20. Goodwill and other intangible assets

In 1,000 CHF	Goodwill	Software	Licences	Client relationships	Total other intangible assets
Costs					
Balance at 1 January 2015	134,129	41,912	5,706	145,099	192,718
Acquisitions	0	12,345	0	0	12,345
Disposals and other changes	0	(1,962)	(2,714)	(16,625)	(21,301)
Balance at 31 December 2015	**134,129**	**52,295**	**2,992**	**128,474**	**183,761**
Amortisation and impairment losses					
Balance at 1 January 2015	0	(12,534)	(2,558)	(115,111)	(130,203)
Amortisation charges for the period	0	(8,018)	(732)	(9,378)	(18,128)
Disposals and other changes	0	1,962	2,714	16,625	21,301
Balance at 31 December 2015	**0**	**(18,590)**	**(576)**	**(107,864)**	**(127,030)**
Carrying amounts					
At 1 January 2015	134,129	29,378	3,148	29,989	62,515
At 31 December 2015	134,129	33,705	2,416	20,610	56,731

In 1,000 CHF	Goodwill	Software	Licences	Client relationships	Total other intangible assets
Costs					
Balance at 1 January 2014	130,196	37,399	2,714	141,636	181,750
Acquisitions through business combinations (see Note 3)	3,934	190	2,848	743	3,781
Other acquisitions	0	7,495	144	2,720	10,359
Disposals and other changes	0	(3,172)	0	0	(3,172)
Balance at 31 December 2014	**134,129**	**41,912**	**5,706**	**145,099**	**192,718**
Amortisation and impairment losses					
Balance at 1 January 2014	0	(8,324)	(1,583)	(104,201)	(114,108)
Amortisation charges for the period	0	(7,382)	(975)	(10,909)	(19,266)
Disposals and other changes	0	3,172	0	0	3,172
Balance at 31 December 2014	**0**	**(12,534)**	**(2,558)**	**(115,111)**	**(130,203)**
Carrying amounts					
At 1 January 2014	130,196	29,075	1,131	37,435	67,641
At 31 December 2014	134,129	29,378	3,148	29,989	62,515

Client relationships
The client relationships recognised through the acquisition of Aduno in 2005 are depreciated using the digital degressive method through 15 years, the period of depreciation ending in 2020, those acquired with Commtrain Card Solutions AG in 2007 are depreciated through 15 years, ending in 2022.

The acquisitions of the BCV portfolio and Raiffeisen Finanzierungs AG in 2008 resulted in a further increase in the client relationships recognised in the Group's balance sheet, which is depreciated using the digital degressive method through 7-10 years, ending in 2018 the latest.

In 2012, the Group acquired client relationships amounting to CHF 9.0 million for its Consumer Finance business to strengthen its presence in the French-speaking part of Switzerland. Also in 2012 the group acquired Revi-Lease and recognised the client relationship. These relationships are depreciated using the digital degressive method through their estimated useful life of 10 years until 2022.

The acquisition of AdunoKaution (formerly EuroKaution) in 2014 resulted in a further increase of client relationships by CHF 0.7 million. Also in 2014 the group acquired the client relationship of Banque Cantonale Neuchâteloise amounting to CHF 2.3 million. These are depreciated through their estimated useful life until 2024.

Impairment tests for cash-generating units containing goodwill
The Group performed impairment tests on goodwill as of 31 December 2015. For the purpose of impairment testing, goodwill is allocated to a cash-generating unit that is expected to benefit from the synergies of the corresponding business combination.

For the impairment test, the recoverable amount of a cash-generating unit (the higher of the cash-generating unit's fair value less costs to sell and its value in use) is compared to the carrying amount of the corresponding cash-generating unit.

Future cash flows are discounted using a pre-tax rate that reflects current market assessments based on the Weighted Average Cost of Capital (WACC) and the Capital Asset Pricing Model (CAPM). The WACC is calculated based on an average of available market betas of a group of companies operating in the same businesses as the respective cash-generating unit as well as the risk-free interest rate.

Fair value less costs to sell is normally assumed to be higher than the value in use; therefore, fair value less costs to sell is only investigated when value in use is lower than the carrying amount of the cash-generating unit.

The cash flow projections are based on three-year period budgets. Cash flows beyond this period are extrapolated using the long-term estimated growth rates stated below.

Key assumptions used for value-in-use calculations of goodwill amounts per cash-generating unit were as follows:

2015 In 1,000 CHF	**Carrying amount of goodwill**	**Currency**	**Discount rate**	**Projection period**	**Long-term growth rate**
Payment – Issuing	20,394	CHF	11.1%	2016 – 2018	1%
Payment – Acquiring	28,729	CHF	9.5%	2016 – 2020	1%
Consumer Finance	27,816	CHF	10.2%	2016 – 2018	1%
Internal Financing	57,190	CHF	9.0%	2016 – 2018	1%

2014 In 1,000 CHF	**Carrying amount of goodwill**	**Currency**	**Discount rate**	**Projection period**	**Long-term growth rate**
Payment – Issuing	20,394	CHF	11.2%	2015 – 2017	1%
Payment – Acquiring	28,729	CHF	9.5%	2015 – 2017	1%
Consumer Finance	27,816	CHF	10.0%	2015 – 2017	1%
Internal Financing	57,190	CHF	9.0%	2015 – 2017	1%

The estimated recoverable amount for the four cash-generating units exceeds the carrying amount of the cash-generating units. No reasonably possible change in the key assumptions would cause the carrying amount of the cash-generating units to exceed the recoverable amount.

21. Investments in associates

Since 2007, the Group owns a 30% participation of Accarda AG. Accarda AG has its principal place of business in Wangen-Brüttisellen (ZH) and issues, processes and operates store cards and gift cards on behalf of corporate retail customers.

The following table shows a summary of the full year financial information for the associate Accarda AG, not adjusted for the percentage ownership held by the Group:

In 1,000 CHF	**2015**	**2014**
Total assets	299,856	279,995
Total liabilities	218,906	202,299
Net assets	**80,950**	**77,696**
Revenue	47,115	47,752
Profit for the period	**10,353**	**11,174**

The Group's share of the profit of Accarda AG for the period of 1 January to 31 December 2015 amounted to CHF 3.1 million and is accounted in the consolidated profits of the Group (2014: CHF 3.3 million). In 2015, Aduno Holding received a dividend payment of CHF 1.5 million from Accarda AG (2014: CHF 1.5 million).

Since 2015, the Group owns a 33.3% participation of the 2015 founded SwissWallet AG (founded with a total share capital of TCHF 105 and a "A fond perdu" payment of TCHF 360). SwissWallet AG has its principal place of business in Zurich. SwissWallet is a digital payment solution from the Swiss credit card industry. SwissWallet AG has a net asset value of CHF 0.1 million.

22. Payables to counterparties

In 1,000 CHF	**2015**	**2014**
Advances received	104,206	100,745
Payables to merchants	90,111	95,430
Payables to schemes	31,605	25,556
Other	1,245	830
Payables to counterparties	**227,167**	**222,562**

The Group receives advance payments from customers with issued prepaid credit cards as well as for downpayments for leasing contracts.

23. Other trade payables

Other trade payables contain unpaid invoices which were received before the end of the year, but for which the time limit for payment has not yet been reached.

Other trade payables amounted to CHF 12.6 million as per the end of the reporting period (end of 2014: CHF 4.3 million).

24. Other payables

In 1,000 CHF	**2015**	**2014**
Payables related to employees	15,043	15,331
VAT liabilities	3,225	4,011
Derivatives used for hedging	1,991	1,172
Derivative financial instruments	234	412
Other	22	0
Other payables	**20,515**	**20,926**

Details for derivative financial instruments are shown in Note 17 Other receivables.

25. Accrued expenses and deferred income

In 1,000 CHF	**2015**	**2014**
Deferred annual fees	38,140	38,984
Commission payable to partners	21,629	22,156
Deferred revenues arising from loyalty programs	16,759	18,696
Accrued interest expenses	2,507	2,579
Other	13,727	11,910
Accrued expenses and deferred income	**92,762**	**94,326**

The position "Other" contains the accrued expenses for other rendered services of partners and other fulfilled services not yet invoiced.

26. Interest-bearing liabilities

In 1,000 CHF	2015	2014
Other bank liabilities	9,715	116,564
Current portion of syndicated loan	390,000	590,000
Current portion of unsecured bond issues	124,922	0
Short-term interest-bearing liabilities	**524,637**	**706,564**
Unsecured bond issues	722,634	646,760
Long-term interest-bearing liabilities	**722,634**	**646,760**
Total interest-bearing liabilities	**1,247,271**	**1,353,325**

Terms and debt repayment schedule

In 1,000 CHF	Currency	Nominal interest rate	Year of maturity	2015 Nominal value	2015 Carrying amount	2014 Nominal value	2014 Carrying amount
Syndicated loan	CHF	0.68%	2016	300,000	300,000	300,000	300,000
Syndicated loan	CHF	0.68%	2016	90,000	90,000	290,000	290,000
Unsecured bond issue	CHF	3 M Libor + 35bp	2016	125,000	124,922	125,000	124,778
Unsecured bond issue	CHF	3 M Libor*	2017	100,000	99,977	0	0
Unsecured bond issue	CHF	0.00%	2017	100,000	99,950	0	0
Unsecured bond issue	CHF	2.25%	2017	250,000	249,233	250,000	248,782
Unsecured bond issue	CHF	1.125%	2021	275,000	273,474	275,000	273,200
Other bank liabilities	CHF	0.78%	2015	0	0	105,570	105,570
Other bank liabilities	CHF	0.78%	current account	5,340	5,340	5,983	5,983
Other bank liabilities	various	0.78%	current account	4,375	4,375	5,012	5,012
Total				**1,249,715**	**1,247,271**	**1,356,564**	**1,353,325**

* Floor at 0.00% and Cap at 0.05%

Syndicated loan
As per 31 December 2015, the Group has a syndicated loan facility of CHF 1,050 million headed by Zurich Cantonal Bank (ZKB) (31.12.2014: CHF 1,050 million) at its disposal. The interest conditions of the facility are quoted by ZKB at market conditions at the fixing date according to the maturity plus a margin depending on the Company's credit rating.

As per 31 December 2015, the syndicated loan amounts to CHF 390 million nominal (31.12.2014: CHF 590 million).

Unsecured bond issues
Since 27 October 2011, Aduno Holding has an outstanding fixed rate bond of CHF 250 million with a maturity in 2017. The nominal interest rate is set at 2.25% and is paid yearly to the bondholders. The effective interest rate, including all fees paid for this bond, amounts to 2.44%.

Two bonds were issued in July 2014. A fixed rate bond of CHF 275 million with its maturity in 2021 disposes of a nominal interest rate of 1.125%. Including fees, the effective interest rate amounts to 1.241%. Another bond of CHF 125 million is based on LIBOR interest rate plus 35 bp and expires in 2016. In 2015, the effective interest rate amounted to 0.115%.

Two new bonds were issued in May 2015, thereof a fixed rate bond of CHF 100 million with its maturity in 2017 and with a coupon of 0% with an effective interest rate of 0.038%. The other bond of CHF 100 million disposes of a floating rate based on Libor interest rate with a floor at 0.0% and a cap at 0.05% expiring in 2017 with an effective interest rate of 0.018%.

Other bank liabilities
As per 31 December 2015, the Group has access to a bilateral credit facility with ZKB of CHF 700 million (31.12.2014: CHF 700 million). The interest rate for this facility is set at the market interest rate based on the maturity plus a fixed credit margin.

As per 31 December 2015, the total of the other bank liabilities amount to CHF 9.7 million (31.12.2014: CHF 116.6 million).

Pledged assets
No assets were pledged as per 31 December 2015 (2014: none).

27. Provisions

In 1,000 CHF	Legal	Other	Total
Balance at 1 January 2015	**0**	**1,176**	**1,176**
Provisions made during the period	90	32	122
Provisions used during the period	0	0	0
Provisions reversed during the period	0	0	0
Balance at 31 December 2015	**90**	**1,208**	**1,298**
Maturity of provisions			
Current	90	100	190
Non-current	0	1,108	1,108
Total	**90**	**1,208**	**1,298**

In 1,000 CHF	Legal	Other	Total
Balance at 1 January 2014	**0**	**1,145**	**1,145**
Provisions made during the period	0	31	31
Provisions used during the period	0	0	0
Provisions reversed during the period	0	0	0
Balance at 31 December 2014	**0**	**1,176**	**1,176**
Maturity of provisions			
Current	0	100	100
Non-current	0	1,076	1,076
Total	**0**	**1,176**	**1,176**

The Group is involved in legal proceedings in the course of normal business operations. The Group establishes provisions for pending legal cases if management believes that the Group is more likely than not to face payments and if the amount of such payments can be reasonably estimated.

Other provisions are mainly dismantling obligations for leasehold improvements in premises rented by the Group. The Group currently has no plans of abandoning these premises and therefore these provisions are considered non-current.

28. Employee benefit obligations

The pension plan of the Group is a defined benefit plan. Disability and death benefits are defined as a percentage of the insured salary.

It provides benefits over the LPP/BVG law, which stipulates the minimum requirement of the mandatory employer's sponsored pension plan in Switzerland. In particular, annual salaries up to CHF 84,600 (2014: CHF 84,600) must be insured: financing is age-related with contribution rates calculated as a percentage of the pensionable salary increasing with age from 7% to 18%. The conversion rate to calculate the annuity based on the accrued savings capital is 6.8% at normal retirement age (65 for men and 64 for women).

The plan must be fully funded under LPP/BVG law on a static basis at all times. In case of underfunding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, or a reduction of benefits or a combination of both.

The Group is affiliated to the collective foundation of the Swiss Cantonal Banks Swisscanto. The collective foundation is a separate legal entity. The foundation is responsible for the governance of the plan, the board is composed of an equal number of employer and employee representatives from all affiliated companies.

The foundation has set up investment guidelines, defining in particular the strategic allocation with margins.

Additionally, there is a pension committee composed of an equal number of representatives from the Group and the employees of Group. The pension committee is responsible for the set-up of the plan benefits.

This defined benefit plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

In 1,000 CHF	2015	2014
Present value of funded obligations	146,578	131,737
Fair value of plan assets	(107,138)	(90,811)
Recognised liability for defined benefit obligations	**39,440**	**40,926**

Movements of present value of defined benefit obligations

In 1,000 CHF	2015	2014
Liability for defined benefit obligations at 1 January	131,737	100,624
Current service cost	7,906	6,182
Past service cost	(32)	0
Interest expense	1,443	2,253
Benefit payments	2,995	1,560
Employee contributions	4,064	3,659
Insurance premiums	(1,703)	(1,526)
Liabilities assumed through business combinations	0	722
Effect of changes in demographic assumptions	0	(2,612)
Effect of changes in financial assumptions	1,564	17,208
Effect of experience adjustments	(1,396)	3,667
Liability for defined benefit obligations at 31 December	**146,578**	**131,737**

Movements of fair value of plan assets

In 1,000 CHF	2015	2014
Fair value of plan assets at 1 January	(90,811)	(77,176)
Interest income	(1,038)	(1,810)
Return on plan assets (excluding interest income)	(3,990)	(2,214)
Employer contributions	(5,943)	(5,400)
Employee contributions	(4,064)	(3,659)
Benefit payments	(2,995)	(1,560)
Insurance premiums	1,703	1,526
Assets acquired through business combinations	0	(518)
Fair value of plan assets at 31 December	**(107,138)**	**(90,811)**

The plan assets include a qualifying insurance policy.

The plan assets are invested to ensure that the return on plan assets together with the contributions should cover the long-term benefit obligations. In the short-term, however, the pension fund could suffer a shortfall as defined by Swiss law which would eventually trigger restructuring contributions.

Expense recognised in the statement of comprehensive income

In 1,000 CHF	2015	2014
Current service cost	7,906	6,182
Past service cost	(32)	0
Interest on employee benefit obligations	1,443	2,253
Interest on plan assets	(1,038)	(1,810)
Total, included in "Personnel expenses"	**8,279**	**6,625**
Effect of changes in demographic assumptions	0	(2,612)
Effect of changes in financial assumptions	1,564	17,208
Effect of experience adjustments	(1,396)	3,667
Return on plan assets (excluding interest income)	(3,990)	(2,214)
Total, included in other comprehensive income	**(3,822)**	**16,049**

Actuarial assumptions

Significant actuarial assumptions at the reporting dates were as follows (expressed as weighted averages):

	2015	2014
Discount rate at 31 December	0.90%	1.10%
Future salary increases	1.50%	2.50%
Future pension increases	0.00%	0.00%
Life expectancy at age 65 years, insured for a now 45-year-old active member		
Males	23.31	23.24
Females	25.74	25.67
Life expectancy at age 65 years		
Males	21.59	21.49
Females	24.06	23.96

Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes of the respective actuarial assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the obligations rate is 25 basis points higher (lower), the defined benefit obligations would decrease by CHF 4.6 million (increase by CHF 5.0 million).
- If the expected salary growth rate increases (decreases) by 0.5%, the defined benefit obligations would increase by CHF 1.2 million (decrease by CHF 1.3 million).
- If the expected pension growth rate increases by 0.25%, the defined benefit obligations would increase by CHF 3.9 million.
- If the life expectancy increases by one year for both men and women, the defined benefit obligations would increase by CHF 1.9 million.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit as it is unlikely that a change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Historical information

In 1,000 CHF	2015	2014	2013	2012 restated	2011
Present value of the defined benefit obligation	146,578	131,737	100,624	94,900	77,584
Fair value of plan assets	(107,138)	(90,811)	(77,176)	(67,285)	(56,374)
(Surplus)/deficit in the plan	39,440	40,926	23,448	27,615	21,210

Future contributions
The Group expects to pay CHF 6.1 million in contributions to defined benefit plans in 2016. As per 31 December 2014 the Group expected to pay CHF 5.6 million in 2015.

Plan assets

	2015	2014
Asset categories		
Cash	2.6%	3.2%
Domestic bonds	32.1%	33.3%
Foreign bonds in other currencies	14.5%	14.9%
Swiss shares	7.1%	7.2%
Foreign shares	21.4%	21.0%
Real estate	11.3%	10.8%
Alternative investments	11.0%	9.7%
Total	**100.0%**	**100.0%**

The bonds held are predominantly rated A or better.

Cash as well as most of the investments in bonds and shares have a quoted market price in an active market. Investments in real estate and alternative investments do not typically have a quoted market price in an active market.

The pension fund does not directly invest in the Group's own transferable financial instruments.

The investment strategy has been defined based on an asset-liabilities matching strategy. However, a matching between assets and liabilities is only possible to a certain degree as the duration of the liabilities is relatively long compared to the available assets. Furthermore, available bonds with long durations do not generate a yield high enough to reach the necessary returns on the plan assets. Therefore, the pension fund also needs to invest in property and alternative investments.

At 31 December 2015, the weighted-average duration of the defined benefit obligations was 18.4 years (2014: 18.6 years).

29. Contingent liabilities

In the normal course of business, the Group enters into agreements pursuant to which the Group may be obliged under specified circumstances to indemnify the counterparties with respect to certain matters. These indemnification obligations typically arise in the context of business arrangements where the Group has remitted payments to the merchants for card members' purchases of goods and services that have not yet been used or delivered. This creates a potential exposure for the Group in the event that the card member is not able to obtain the goods or services due to bankruptcy of the merchant and the Group is obliged to credit the card member for the goods not received or the services not consumed. Historically, this type of exposure has not generated any significant loss for the Group.

In some leasing contracts in the Consumer Finance business the Group confirms to the customer a minimum residual value of the leased item to the leasing partner, meaning that if the leasing customer returns the leased item to the leasing partner after the leasing period with a lower value than the minimum residual value, the Group is obliged to refund the leasing partner the difference in value.

30. Share capital and reserves

Share capital
On 31 December 2015, the share capital of the parent company Aduno Holding consisted of 25,000 shares with a nominal value of CHF 1,000 each (2014: 25,000 shares). The holders of the shares are entitled to receive dividends as declared and are entitled to one vote per share at the general meeting of the company.

In 1,000 CHF	2015	2014
Number of issued shares 1 January	25,000	25,000
Number of issued shares 31 December	25,000	25,000
Nominal value in CHF	1,000	1,000

Dividends
The following dividends were declared and paid by the Group:

In 1,000 CHF	Paid in 2015	Paid in 2014
Total dividend	20,000	17,500
Dividend per share in CHF	800	700

After 31 December 2015, the Board of Directors proposed a dividend of CHF 800 per share, in total CHF 20.0 million for 2015. The dividend proposal of dividends will be forwarded for approval by the general meeting in June 2016.

Hedging reserve
As described in Note 17, the Group uses interest rate swaps to hedge its exposure to interest rate changes. The effective portion of these hedges, net of taxes, is accounted in the hedging reserve.

In 2011 the Group entered into a forward starting swap to fix the interest rate of the bond issue planned and executed in October 2011. The realised negative fair value was accounted in the hedging reserve and is included in the interest expense within the duration of the bond.

In 1,000 CHF	2015	2014
Positive fair value of cash flow hedges (see Note 17)	0	227
Negative fair value of cash flow hedges (see Note 24)	(1,991)	(1,172)
Terminated forward starting cash flow hedges	(114)	(176)
Tax effect	235	79
Total hedging reserve	**(1,870)**	**(1,041)**

Derivative on own equity
In June 2015, the subsidiary Vibbek AG increased its shareholders' equity by CHF 2 million. The Non-controlling interests (NCI) did not participate in this increase. Consequently, the ownership interest of the Group increased by 7.6% to 74.6%. The NCI increased by CHF 0.7 million and the retained earnings decreased by CHF 0.7 million. The Group granted the NCI holder options to repurchase shares in the amount of 7.6% with a fair value of TCHF 116. This options are disclosed as derivative on own equity instruments in the consolidated statement of changes in equity.

Capital management
The Board's policy is to maintain an adequate equity base so as to maintain investors', creditors' and market confidence and to sustain the future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the total shareholders' equity and the development of dividends paid to the shareholders.

According to the Swiss consumer finance regulations, consumer finance credit balances to private customers have to be underlined with 8% of equity. For the subsidiary cashgate the company's target is therefore to always maintain an equity base fulfilling these legally required obligations. A quarterly documentation on the level of equity is reviewed by the management of cashgate on a quarterly basis. Since the acquisition of the Consumer Finance business, this obligation was fulfilled at the end of each month including on 31 December 2015.

31. Financial risk management

Risk management
The Group is active in Switzerland and Europe and has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk such as currency risk and interest rate risk

The overall risk management of the Group focuses on the unpredictability of developments on the financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge its financial risks. The Group is entering into interest rate swaps, which are designated as hedging instruments in a hedge relationship.

A risk board is established within the Executive Board to assess the strategic and operating risks at Group level. A Group risk report is prepared four times a year and presented to the Board of Directors.

Each operating segment of the Group has its own risk control board which reports to the risk control at Group level and receives its relevant information from the different specialised risk groups (dedicated for fraud, delinquency and others) which are formed within the segments.

The Group operates IT systems which steadily monitor customers' behaviour and calculate customers' risk scores to detect eventual unusual behaviour in order to enable the Group's risk services to act. If the risk score exceeds the effective score limit, customers are passed to a risk queue which is steadily assessed.

Within the Group, Viseca offers collection services to the other companies of the Group and takes the receivables over as a trustee. If Viseca is not able to collect the amount of the receivables, the receivable is handed back to the originating company and the loss is recognised.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and can arise through receivables which remain unpaid or which are paid later than at their due date.

Geographically, the credit risk is concentrated on Switzerland as the Group mainly operates in Switzerland.

Receivables from cardholders
It is in the nature of the credit card business that customers get temporarily into debt with the credit card company. This explains the considerably high volumes of receivables.

The credit counterparty in the issuing business is a private or corporate consumer using a credit card for purchases or cash transactions. All credit card customers, when applying for a credit card, are individually credit rated before a credit card is issued. If a client does not meet the stringent customer credit rating criteria, no credit card is issued.

Risk and credit management is a core process in the credit card business and the Group therefore runs sophisticated risk assessment tools and delinquency reports to monitor and assess the risk exposure. All incoming payments of customers are closely watched. If a client defaults for more than 60 days, the receivable will be transferred to a dedicated risk management department to ensure collection of the debts.

For customers with high risk exposure, collaterals such as bank guarantees are held as security. Customers with low risk exposure are not required to deliver collaterals.

The Group issues credit cards on behalf of various distribution partners. The Group entered into agreements with some of its partners, so that the partner bears the risk of default for any receivable outstanding from cardholders. If a cardholder becomes delinquent, the outstanding amount is fully paid by the partner.

If a cardholder has a direct relationship with the Group and not via a partner, the Group bears the default risk. In individual cases the outstanding receivable is collateralised by bank guarantees. The underlying receivables amounted to CHF 11.9 million as per 31 December 2015 (2014: CHF 18.3 million). These receivables are fully covered by the bank guarantees.

Residual amounts overdue for more than 90 days may occur outside the debt collection portfolio, when the assessment has not been completed. The total of these residual amounts stands at CHF 0.1 million as per 31 December 2015 (2014: CHF 0.1 million).

To avoid a total loss of the receivable, the Group renegotiates the terms of payment for customers who are not able to redeem the receivable in total. The renegotiated amounts are contained in "receivables from debt collection". Conditions for renegotiated amounts are individually fixed depending on the individual situation of the debtor. The total portfolio with renegotiated payment terms comprises CHF 1.4million (2014: CHF 1.9 million).

Receivables overdue for more than 24 months are written off from the balance sheet.

Receivables from merchant activities
In the merchant business, the Group generally transfers money to its merchants at the same time as it receives the settlement by its counterparties. The major credit counterparties are the international operating card schemes MasterCard and Visa. The receivables are settled daily. Therefore management assesses the credit risk in the merchant business as very low and receivables are not collateralised.

Resulting from terminal sales, the Group recognises receivables against commercial customers. To secure the receivables, the Group is able to block the customers' terminals to ensure the payment of the customers' debt towards the Group.

Receivables from Consumer Finance
In the Consumer Finance business, the Group grants cash credits or finances cars in a financial lease to its customers. The credit counterparty is a private consumer in the cash credit business and a private or corporate customer in the leasing business. The receivables are generally due on a monthly basis, which means that the credit risk steadily decreases over the life of the contract.

In compliance with the Swiss consumer credit regulations, a solvency check is carried out for all customers on an individual basis to assess the related credit risk when they apply for a cash credit or a leasing facility.

The solvency check is based on the customer's historical track record with the Group and requires the customer to deliver personal data on his financial situation such as his employment, his family situation and his personal debt situation. Additionally, a database for private consumer loans, maintained by Swiss banks, is consulted to confirm that no negative records have been recognised for the future customer.

If a client does not meet the stringent customer credit rating criteria, no credit facility will be approved.

Risk and credit management is a core process in the Consumer Finance business. Therefore the Group runs sophisticated risk assessment tools and delinquency reports to monitor and assess the risk exposure. All incoming payments from customers are closely watched. If a client defaults for more than 90 days, the overdue receivable will be actively managed to ensure the collection of the debt.

The receivables from consumer loans are not collateralised. The finance lease receivables are collateralised by the financed cars, the Group applying a margin between the lease amount and the estimated value of the financed car to ensure that the coverage of the receivable is higher than 100%.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk to which the Group is theoretically exposed at 31 December 2015 and 2014 respectively is represented by the carrying amounts stated for financial assets in the balance sheet.

The maximum exposure to credit risk for receivables from cardholders, Consumer Finance and merchant activities at the reporting date by type of customer is shown in the following tables. Additionally, credit risk can occur from debt collection and from fraud in the Payment business as shown in note 15 and from other receivables.

In 1,000 CHF	2015	2014
Receivables from card holders		
Individuals	312,610	339,901
Corporate clients	32,665	53,197
Total	**345,275**	**393,097**

In 1,000 CHF	2015	2014
Receivables from card holders		
Default risk borne by partners	168,199	244,936
Default risk borne by the Group, secured by bank guarantees	11,975	18,250
Default risk borne by the Group	165,101	129,911
Total	**345,275**	**393,097**

The collateralisation by partners and bank guarantees is borne by those counterparties in the amount of the receivable. The estimated fair value of the collaterals is estimated to be the same as the nominal value.

In 1,000 CHF	2015	2014
Receivables from card schemes		
MasterCard	66,812	108,582
Visa	17,168	29,181
UnionPay	334	452
Total	**84,314**	**138,214**

In 1,000 CHF	2015	2014
Receivables from business unit Consumer Finance		
Individuals – Consumer loans	640,109	580,198
Individuals – Financial lease	429,316	468,588
Corporate clients - Financial lease	208,289	229,167
Total	**1,277,714**	**1,277,953**

Receivables from 'Financial lease' are collateralised by the financed cars. Following the Group's risk policy, the Group estimates that the fair value of the collaterals is approximately the same as the nominal value of the receivable.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risk arises if the Group is unable to obtain under economic conditions the funds needed to carry out its operations. The Group monitors its liquidity needs steadily and also maintains liquidity forecasts.

Management ensures that cash funds and credit lines currently available (Total credit line limit of CHF 1,750 million, 2014: CHF 1,750 million) and funds that will be generated from operating activities (in the last 12 months a monthly average of CHF 1,370 million, 2014: CHF 1,350 million) enable the Group to satisfy its requirements resulting from its operating activities and to fulfil its obligations to repay its debts at their natural due date.

Maturity of financial liabilities

2015 In 1,000 CHF	**Carrying amount**	**Contractual cash flows**	**1 month or less**	**2 – 3 months**	**4 – 12 months**	**13 – 24 months**	**25 – 72 months**
Non-derivative liabilities							
Payables to counterparties	227,167	227,167	121,716	105,452	0	0	0
Other trade payables	12,590	12,590	12,590	0	0	0	0
Short-term interest-bearing liabilities	524,637	525,021	400,021	0	125,000	0	0
Other payables	15,043	15,043	5,014	0	10,029	0	0
Accrued expenses	37,863	37,863	37,863	0	0	0	0
Total current liabilities	**817,300**	**817,684**	**577,204**	**105,452**	**135,029**	**0**	**0**
Long-term interest-bearing liabilities	722,634	754,813	0	0	8,719	458,719	287,375
Total non-current liabilities	**722,634**	**754,813**	**0**	**0**	**8,719**	**458,719**	**287,375**
Cash inflow from derivatives		(63,849)	(63,849)	0	0	0	0
Cash outflow from derivatives		63,951	63,951	0	0	0	0
Total derivatives held for trading	**103**	**103**	**103**	**0**	**0**	**0**	**0**
Cash inflow from IRS		(40)	0	(6)	(14)	0	(20)
Cash outflow from IRS		3,956	0	460	1,319	200	1,978
Total derivatives used for hedging	**1,991**	**3,916**	**0**	**454**	**1,304**	**200**	**1,958**
Total estimated cash flow	**1,542,028**	**1,576,516**	**577,307**	**105,906**	**145,052**	**458,919**	**289,333**

2014 In 1,000 CHF	**Carrying amount**	**Contractual cash flows**	**1 month or less**	**2 – 3 months**	**4 – 12 months**	**13 – 24 months**	**25 – 72 months**
Non-derivative liabilities							
Payables to counterparties	222,562	222,562	120,987	101,575	0	0	0
Other trade payables	4,338	4,338	4,338	0	0	0	0
Short-term interest-bearing liabilities	706,564	707,241	416,748	290,493	0	0	0
Other payables	15,331	15,331	5,110	0	10,221	0	0
Accrued expenses	36,645	36,645	36,645	0	0	0	0
Total current liabilities	**985,441**	**986,118**	**583,829**	**392,068**	**10,221**	**0**	**0**
Long-term interest-bearing liabilities	646,760	689,431	113	0	9,056	134,169	546,094
Total non-current liabilities	**646,760**	**689,431**	**113**	**0**	**9,056**	**134,169**	**546,094**
Cash inflow from derivatives		(78,623)	(78,623)	0	0	0	0
Cash outflow from derivatives		78,952	78,952	0	0	0	0
Total derivatives held for trading	**329**	**329**	**329**	**0**	**0**	**0**	**0**
Cash inflow from IRS		(201)	0	(47)	(135)	(20)	0
Cash outflow from IRS		5,276	0	404	2,635	1,943	293
Total derivatives used for hedging	**946**	**5,075**	**0**	**358**	**2,501**	**1,923**	**293**
Total estimated cash flow	**1,633,476**	**1,680,952**	**584,270**	**392,426**	**21,777**	**136,092**	**546,387**

Foreign currency risk
The Group's exposure to foreign currency risk is as follows based on notional amounts. There is no currency risk on Swiss francs (CHF) as it is the functional currency of the company.

	Foreign currencies		
2015 In 1,000 CHF	**CHF / EUR**	**CHF / USD**	**CHF / Other**
Cash and cash equivalents	206	80	399
Receivables from business unit Payment	21,646	10,213	2,048
Receivables from business unit Consumer Finance	0	0	0
Other trade receivables and other receivables	524	0	0
Payables to counterparties	7,184	9,807	725
Other trade payables	260	86	0
Short-term interest-bearing liabilities	2,422	1,641	311
Other payables	0	0	0
Accrued expenses	17	0	0
Long-term interest-bearing liabilities	0	0	0
Gross balance sheet exposure	**12,493**	**(1,241)**	**1,411**
Derivatives held for trading	(50,225)	(12,823)	(801)
Derivatives used for hedging	0	0	0
Net exposure	**(37,732)**	**(14,064)**	**610**

2014 In 1,000 CHF	Foreign currencies CHF / EUR	 CHF / USD	 CHF / Other
Cash and cash equivalents	576	180	386
Receivables from business unit Payment	24,619	12,315	3,078
Receivables from business unit Consumer Finance	0	0	0
Other trade receivables and other receivables	847	0	0
Payables to counterparties	3,190	8,198	697
Other trade payables	155	1	6
Short-term interest-bearing liabilities	2,287	995	1,746
Other payables	(0)	0	0
Accrued expenses	14	0	0
Long-term interest-bearing liabilities	0	0	0
Gross balance sheet exposure	**20,395**	**3,300**	**1,014**
Derivatives held for trading	(56,705)	(21,535)	(382)
Derivatives used for hedging	0	0	0
Net exposure	**(36,310)**	**(18,236)**	**632**

Sensitivity analysis

The Group has estimated the effects of a strengthening of the Swiss franc against the following currencies. As a measure the Group assumed a volatility for CHF/EUR of 7.0% and for CHF/USD of 10.8%. These assumptions are based on market data from 2015.

With these assumptions, a strengthening of the Swiss franc against the following currencies at 31 December would have increased profit or loss after tax by the amounts shown below. No changes will occur within the equity of the Group when exchange rates change.

This analysis assumes that all other variables, in particular interest rates, remain constant.

In 1,000 CHF	%	2015 CHF	%	2014 CHF
CHF/EUR	7.0	(2,338)	4.3	(1,377)
CHF/USD	10.8	(1,338)	9.8	(1,584)
Total currency sensitivity		**(3,676)**		**(2,961)**

In the case where the Swiss franc declines in value, the same effect vice versa would occur.

Interest rate risk

At the reporting date the interest rate profile of the Group's interest bearing financial instruments after the effects of interest swaps was:

In 1,000 CHF	2015	2014
Instruments at long-term fixed rates		
Interest bearing liabilities	625,000	525,000
Instruments with variable or short-term fixed rates		
Interest bearing liabilities	615,000	820,570
Interest rate swaps	(290,000)	(586,000)
Bank accounts	(5,340)	(11,287)
Total exposure from variable rate instruments	**319,660**	**223,283**

Cash flow sensitivity analysis

Due to the hedging activities the exposure from variable rate instruments is highly reduced. If interest rates had been 10 basis points lower as per 31 December 2015, the post tax profit of the Group would have been CHF 0.3 million higher with all other variables held constant (2014: CHF 0.2 million higher).

If interest rates had been 10 basis points higher, with all other variables held constant, post-tax profit would have been lower for the same amounts as above, arising mainly as a result of higher interest expense on variable borrowings.

Fair value sensitivity analysis

The Group uses interest rate swaps to reduce its interest rate risk. If interest rates had been 10 basis points lower, the negative fair value after tax of the hedges would have been CHF 0.2 million higher (2014: CHF 0.7 million higher). If interest rates had been 10 basis points higher, the same but inverted amounts would have occurred. The effects would have been accounted for through other comprehensive income.

Fair values

The fair values of financial assets and liabilities together with the carrying amounts shown in the balance sheet are as follows:

In 1,000 CHF	Carrying amount	2015 Fair value	Carrying amount	2014 Fair value
Cash and cash equivalents	90,002	90,002	12,429	12,429
Receivables from business unit Payment	435,681	435,681	541,857	541,857
Receivables from business unit Consumer Finance	1,277,714	1,277,714	1,277,953	1,277,953
Other trade receivables and other receivables	87,158	87,158	91,860	91,860
Total loans and receivables	**1,890,555**	**1,890,555**	**1,924,098**	**1,924,098**
Payables to counterparties	227,167	227,167	222,562	222,562
Other trade payables	12,590	12,590	4,338	4,338
Short-term interest-bearing liabilities	524,637	524,087	706,564	706,564
Other payables	15,043	15,043	15,331	15,331
Accrued expenses	37,863	37,863	36,645	36,645
Long-term interest-bearing liabilities	722,634	748,035	646,760	673,325
Total other liabilities	**1,539,934**	**1,564,785**	**1,632,201**	**1,658,766**
Derivatives with positive fair values	131	131	83	83
Derivatives with negative fair values	(234)	(234)	(412)	(412)
Derivatives held for trading	**(103)**	**(103)**	**(329)**	**(329)**
Derivatives with positive fair values (IRS)	0	0	227	227
Derivatives with negative fair values (IRS)	(1,991)	(1,991)	(1,172)	(1,172)
Derivatives used for hedging	**(1,991)**	**(1,991)**	**(946)**	**(946)**

Basis for the determination of fair value
The following summarises the significant methods and assumptions used in estimating the fair value of financial instruments reflected in the table above.

Receivables and payables
Trade accounts receivable and payable are stated in the balance sheet at their carrying value less impairment allowance. Due to their short-term nature, receivables from card activities are assumed to approximate their fair value.

The fair value of long-term financial instruments with a maturity or a refinancing profile of more than one year and for which observable market transactions are not available, the fair value is estimated using valuation models such as discounted cash flow techniques. Input parameters into the valuation include expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondary market spreads.

Non-derivative financial liabilities
The fair value of financial instruments for disclosure purposes is calculated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The difference between the carrying amount and the fair value in the interest-bearing liabilities (short-term as well as long-term) is caused by the unsecured bond issues and amounting to a total CHF 25.8 million in 2015 (2014: CHF 26.6 million). These unsecured bonds are categorised in level 1 of the fair value hierarchy as described in Note 17.

Interest rates used for determining fair value
The interest rates used to discount estimated cash flows, where applicable, are based on the market interest rates for the maturity of the debt at the reporting date, and were in the range of –0.80% and –0.71% for the current year and of –0.24% and –0.06% for 2014.

The Group has not disclosed further details of the fair values for the financial assets and liabilities, with the exception of the unsecured bond issues, because their carrying amounts are a reasonable approximation of fair values.

Offsetting
An offsetting agreement is in place between MasterCard and different group companies ("offsetting agreement"). In its normal course of business as an acquirer, the Group transfers the purchase price for card transactions to its affiliated partners. MasterCard simultaneously credits the respective amounts to the Group. At the same time, the Group as an issuer of credit cards has an obligation to MasterCard from the card transactions of its cardholders. The offsetting agreement allows the Group to offset the respective credit and debit balances through the payments to or from MasterCard.

As per 31 December 2015, the outstanding amount in favour of the Group amounted to CHF 66.8 million (2014: CHF 107.4 million) included in "Receivables from business unit Payment, net" while the Group had an outstanding obligation of CHF 30.9 million (2014: CHF 30.6 million) included in "Payables to counterparties", resulting in a net amount of CHF 35.9 million (2014: CHF 76.7 million) in favour of the Group against MasterCard.

32. Related parties

Related parties are the shareholders which have a direct influence on the Group's activities by delegating a member onto the Group's Board of Directors, the other members of the Group's Board of Directors, the Executive Committee, entities controlled by a member of the Group's Board of Directors and the associate Accarda.

The shareholders that are considered as being related parties are as follows:

Part of share capital in % held at 31 December	2015	2014
Raiffeisen Schweiz Genossenschaft	25.53%	25.53%
Zürcher Kantonalbank ZKB	14.72%	14.72%
Entris Banking AG	14.00%	14.00%
Migros Bank AG	7.00%	7.00%
BSI SA	3.57%	3.57%
Basellandschaftliche Kantonalbank	n/a	3.08%
Zuger Kantonalbank	1.42%	n/a
Freiburger Kantonalbank	1.03%	1.03%
Total related parties	**67.27%**	**68.93%**

Transactions with related parties
The Group does extensive business with its shareholders and other related parties, especially within financing activities and card distribution in the Payment business.

Income and expense with related parties as stated in the following table is included in the Group's consolidated statement of comprehensive income.

In 1,000 CHF	2015	2014
Interest income	217	401
Interest expenses	7,264	11,293
Other income	0	8,773
Distribution, advertising and promotion expenses	7,936	35,576
Other expenses	583	291
Total income (–) and expenses (+) with related parties	**15,566**	**37,987**

All transactions between the Group and its related parties as well as its associates are entered into at market rates.

At the closing date, the Group has the following balance sheet exposure with its related parties:

In 1,000 CHF	2015	2014
Cash and cash equivalents	89,766	11,978
Other receivables and other assets	131	159
Prepaid expenses and accrued income	9,270	11,575
Short-term interest-bearing liabilities	158,305	706,202
Other payables	1,876	1,095
Accrued expense and deferred income	16,942	12,850
Total exposure to related parties	**276,290**	**743,858**

The Group's balance sheet does not contain provisions for doubtful debts from related parties nor does the consolidated statement of comprehensive income recognise any expenses in respect of bad or doubtful debts due from related parties.

Transactions with associates

In 2015 and 2014 respectively, transactions with associates concerned mainly scanning services provided by Accarda AG to the Group as well as fees for consulting services provided to Accarda AG and since 2015 processing services provided by SwissWallet AG to the Group.

Income and expenses with associates as stated in the following table are included in the Group's consolidated statement of comprehensive income.

In 1,000 CHF	2015	2014
Other income	37	37
Processing and service expenses	221	111
Other expenses		4
Total income (–) and expenses (+) with associated parties	**184**	**78**

At the closing date, the Group had the following balance sheet exposure with its associates:

In 1,000 CHF	2015	2014
Other receivables and other assets	0	10
Other payables	70	3
Total exposure with associated parties	**70**	**13**

Transactions with key management personnel

The members of the Board of Directors and the Executive Committee of the Group and their immediate relatives do not have any ownership interest in the Group's companies.

The Group provides short-term remuneration to the members of the Board of Directors and Executive Committee. Beside their salaries and pension fund benefits the members of the Executive Committee and directors receive long-term benefits based on the results of the company.

The key management personnel compensation is as follows:

In 1,000 CHF	2015	2014
Base salaries and other short-term benefits	4,138	4,098
Long-term benefits	2,929	2,929
Contribution to retirement benefits plan and social security	482	481
Other personnel benefits	196	217
Total compensation to key management	**7,745**	**7,725**

There are no loan agreements in place with key management. However, Viseca issues credit cards for key management. It is in the nature of the credit card business that the customer gets temporarily into debt with Viseca. Furthermore cashgate offers Consumer Finance loans and leasing, AdunoKaution offers rental guarantees. In the case of the running business, employees and also key management can apply for those credits and facilities.

The conditions and the requirements for eventually granted facilities and loans are under normal commercial terms and conditions that would also be provided to unrelated third parties.

33. Group companies

In 1,000 CHF	Country of incor-poration	Currency	Share capital 2015	Share capital 2014	Ownership interest 2015	Ownership interest 2014
Aduno Holding AG, Zurich (ZH), parent company	Switzerland	CHF	25,000	25,000	–	–
Accarda AG, Brüttisellen (ZH)	Switzerland	CHF	18,500	18,500	30%	30%
Aduno Finance AG, Stans (NW)	Switzerland	CHF	1,000	1,000	100%	100%
Aduno SA, Bedano (TI)	Switzerland	CHF	120	120	100%	100%
AdunoKaution AG, Thalwil (ZH)	Switzerland	CHF	1,365	6,500	100%	100%
cashgate AG, Zurich (ZH)	Switzerland	CHF	35,000	35,000	100%	100%
SwissWallet AG, Zurich (ZH)	Switzerland	CHF	105	n/a	33.3%	n/a
Vibbek AG, Urdorf (ZH)	Switzerland	CHF	1,300	1,000	74.6%	67%
Vibbek GmbH, Hamburg	Germany	EUR	25	25	74.6%*	67%*
Viseca Card Services SA, Zurich (ZH)	Switzerland	CHF	20,000	20,000	100%	100%

* Vibbek GmbH is fully owned by Vibbek AG.

34. Subsequent events

As of 30 March 2016 Aduno Holding entered into a purchase agreement to acquire a 14.3% share stake of Contovista AG in Schlieren, canton of Zurich. Contovista is developing software for Personal Finance Management and distributing it to banks.

Zurich, 21 April 2016

Dr Pierin Vincenz
Chairman of the Board of Directors

Martin Huldi
Chief Executive Officer

Conrad Auerbach
Chief Financial Officer

KPMG

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Report of the Statutory Auditor to the General Meeting of Shareholders of

Aduno Holding AG, Zurich

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Aduno Holding AG, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes (pages 41 to 83) for the year ended 31 December 2015.

Board of Directors' Responsibility
The board of directors is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

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

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

KPMG

Aduno Holding AG, Zurich
Report of the Statutory Auditor on the Consolidated Financial Statements
to the General Meeting of Shareholders

Report on Other Legal Requirements

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

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

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

KPMG AG

Marianne Müller	Volkan Gökdemir
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in Charge	

Zurich, 21 April 2016

Aduno Holding AG
Income statement

In 1,000 CHF	2015	2014*
Cost / revenue category		
Dividend income	20,575	1,500
Interest income from third parties	2	0
Interest income from other Group companies	18,720	23,429
Total revenue	**39,297**	**24,929**
Other income	5,211	4,509
Operating income	**44,508**	**29,438**
Interest expenses to third parties	(15,922)	(18,203)
Interest expenses to other Group companies	(1,022)	(3,196)
Distribution, advertising and promotion expenses	(11)	(3)
Other expenses	(4,061)	(7,799)
Depreciation on property and equipment	(423)	(418)
Depreciation on intangible assets	(124)	(124)
Operating expenses	**(21,563)**	**(29,742)**
Results from operating activities	**22,945**	**(304)**
Depreciation on associated companies	0	(335)
Profit / (Loss) before income tax	**22,945**	**(639)**
Income tax expenses	(486)	(149)
Profit / (Loss) for the year	**22,459**	**(788)**

* In the financial statement 2015 the „Interest expenses to third parties“ and „Interest expenses to other Group companies“ are shown as „Operating expenses“. Prior-year figures have been adjusted accordingly.

Balance sheet

In 1,000 CHF	2015	2014*
Assets		
Cash and cash equivalents	79,991	16
Short-term receivables from other Group companies	669,863	928,851
Other short-term receivables	3,796	4,165
Prepaid expenses	2,474	3,194
Total current assets	**756,124**	**936,226**
Investments	215,520	213,305
Long-term receivables from other Group companies	725,000	650,000
Property, plant and equipment	3,754	2,353
Intangible assets	133	247
Total non-current assets	**944,407**	**865,905**
Total assets	**1,700,531**	**1,802,131**
Liabilities		
Other trade payables	620	595
Short-term interest-bearing liabilities	515,000	695,570
Other payables	6	202
Accrued expenses	4,656	3,160
Short-term provisions	90	5
Total current liabilities	**520,372**	**699,531**
Long-term interest-bearing liabilities	725,000	650,000
Long-term provisions	550	450
Total non-current liabilities	**725,550**	**650,450**
Total liabilities	**1,245,922**	**1,349,981**
Share capital	25,000	25,000
Legal capital reserves		
Reserves from capital contributions	94,256	94,256
Other capital reserves	1,014	1,014
Legal retained earnings	6,428	6,428
Voluntary retained earnings		
Free reserves	306,240	326,240
Losses/profit carried forward	(788)	0
Net profit/loss for the year	22,459	(788)
Total equity	**454,609**	**452,150**
Total liabilities and equity	**1,700,531**	**1,802,131**

*The presentation of the equity in the fiscal year 2015 is presented in more detail: „Free reserves and statutory reserves" and the „Accumulated losses/profit brought forward" are shown separately. Prior-year figures have been adjusted accordingly.

Cash flow statement

In 1,000 CHF	2015	2014
Profit / loss for the year	**22,459**	**(788)**
Depreciation / amortization and impairment losses on non-current assets	547	541
Changes in other short-term receivables and prepaid expenses	1,088	55,842
Changes in short-term receivables from other Group companies	258,989	290,876
Changes in other trade payables	26	362
Changes in other liabilities, accrued expenses and deferred income	1,300	1,807
Changes in provisions	185	105
Changes in long-term receivables from other Group companies	(75,000)	(400,000)
Cash flow from operating activities	**209,593**	**(51,254)**
Acquisition of subsidiaries	(2,215)	(10,600)
Acquisition of property, plant and equipment	(1,824)	(54)
Acquisition on intangible assets	(9)	0
Cash flow from investing activities	**(4,048)**	**(10,654)**
Dividends paid	(20,000)	(17,500)
Changes in short-term interest-bearing liabilities	(180,570)	(70,592)
Changes in long-term interest-bearing liabilities	75,000	150,000
Cash flow from financing activities	**(125,570)**	**61,908**
Change in cash and cash equivalents	**79,975**	**(1)**
Cash flow from operating activities	209,593	(51,254)
Cash flow from investment activities	(4,048)	(10,654)
Cash flow from financing activities	(125,570)	61,908
Cash and cash equivalents at beginning of period	16	17
Cash and cash equivalents at the end of period	**79,991**	**16**

Notes to the annual financial statements

Accounting principles

Basis of preparation
The statutory financial statements of Aduno Holding AG have been prepared in accordance with the requirements of the Swiss Code of Obligations (SCO). Unless stated otherwise, all assets and liabilities are reported at their nominal value. All figures in the annual financial statements are rounded in accordance with commercial principles. All financial information presented in Swiss Francs has been rounded to the nearest thousand, except when indicated differently.

Reporting period
The reporting period begins on 1 January and ends on 31 December of the calendar year.

Recognition of business transactions
Business transactions are presented according to the settlement date principle.

Foreign currency translation
The translation of foreign currency is carried out in accordance with the closing rate method. At year end all financial assets and liabilities in foreign currencies are translated at the year-end rate according to the exchange rate list of Bloomberg Corporation.

Investments in other Group companies

Company	Participation	Share capital in 1,000 CHF	Since
Viseca Card Services SA, Zurich	100%	20,000	2007
cashgate AG, Zurich	100%	35,000	2007
Accarda AG, Brüttisellen	30%	18,500	2007
Aduno Finance AG, Stans	100%	1,000	2011
Vibbek AG, Urdorf	74.6%	1,300	2013
AdunoKaution AG, Thalwil	100%	1,365	2014
SwissWallet AG, Zurich	33 1/3%	105	2015

The participations are reported at initial cost.

Impairments and provisions
Provisions, i.e. individual or general reserves for bad debts are accrued for all the risks identified at the balance sheet date in accordance with the caution principle. Currently no risks have been identified.

Income taxes
Income taxes are calculated and reserved based on the results of the financial year.

Property, equipment and intangible assets

Fire insurance
Property and equipment are insured for CHF 2.6 million (2014: CHF 3.2 million).

Other disclosures

Guarantee obligations
As per 31 December 2015, the following guarantees exist:

- Rental liabilities of Aduno Holding AG for its premises in Business Center Andreaspark in Zurich, amounting to CHF 1.3 million (2014: CHF 1.0 million)
- Guarantees for prepayments of credit card owners of Viseca Card Services SA, amounting to CHF 14.5 million (2014: CHF 14.5 million)
- Guarantees for prepayments of prepaid credit card owners of Viseca Card Services SA, amounting to CHF 66.0 million (2014: CHF 66.0 million)
- Instalments option of consumer credit customers of Viseca Card Services SA, amounting to CHF 0.5 million (2014: CHF 0.5 million)
- Rental liabilities of Aduno SA for its premises in Bedano, amounting to CHF 0.2 million (2014: CHF 0.1 million)
- Warranty claims to consumer finance customers of cashgate AG, amounting to CHF 0.5 million (2014: CHF 0.5 million)
- Keep-well guarantee in favour of Aduno Finance AG, amounting to CHF 2,600 million (2014: CHF 2,400 million)
- Rental liabilities of cashgate AG for its premises in Geneva, Lausanne and Neuenburg, amounting to CHF 0.1 million (2014: CHF 0.1 million)

Unsecured bond issues

In 1,000 CHF	Nominal interest rate	Maturity	Due date	Accrued interest at 31.12.2015	Accrued interest at 31.12.2014
125 million bond issue	variable	2014 – 2016	15.07.2016	0	97
100 million bond issue	variable	2015 – 2017	06.04.2017	0	0
100 million bond issue	0.00%	2015 – 2017	05.05.2017	0	0
250 million bond issue	2.25%	2011 – 2017	27.10.2017	1,003	1,006
275 million bond issue	1.125%	2014 – 2021	16.07.2021	1,431	1,409

Contingent liabilities

As per 01.01.2014 Aduno Holding AG resigned from the VAT group of Viseca Card Services SA. The company remains mutually liable for any VAT obligations the Aduno Group has towards the Swiss Federal Tax Administration. It concerns taxes which eventuated up to 2013 and are significant for a period of 5 years.

Information on the performance of a risk assessment

Aduno Holding AG is part of the Group-wide risk management system of Aduno Group. Therefore, the Board of Directors of Aduno Holding AG decided not to perform an individual risk assessment for the company.

The Board of Directors of Aduno Holding AG has, as parent company, delegated the execution of the risk assessment to the Group's Executive Management. The Executive Management maintains a risk assessment board, which records any material risks, assesses their importance and probability of occurrence and, if required, defines measures and monitors the processing thereof. The risk analysis is regularly confirmed by the Board of Directors of the Group.

In order to ensure that the company's Annual Financial Statement complies with the underlying accounting principles and proper corporate reporting, the company has introduced further operative internal control and steering systems that are regularly examined. For accounting and valuations, assumptions and estimates are made regarding the future. The estimates and assumptions that represent a significant risk in the form of a major adjustment to the carrying amounts of assets and liabilities in the coming financial year are presented in the notes for the individual positions. Overall, no risks were identified in the financial year just ended that could lead to a material correction in the asset, finance and profit situation of the company and/or group of companies as presented in the Annual Financial Statement.

To improve the risk assessment, an internal control system (ICS) has been introduced that is reviewed and updated on an ongoing basis. All the risk-relevant processes of Aduno Holding AG are listed in the ICS. This system is reviewed by the auditors as part of the annual audit.

Zurich, 21 April 2016

Dr Pierin Vincenz
Chairman of the Board of Directors

Martin Huldi
Chief Executive Officer

Conrad Auerbach
Chief Financial Officer

Proposal for the appropriation of earnings at the general meeting

The Board of Directors proposes that the retained earnings be appropriated as follows:

In CHF	2015	2014
Appropriation of retained earnings		
Balance carried forward from prior year	(787,597)	223
Profit after tax	22,458,844	(787,820)
Total retained earnings	**21,671,247**	**(787,597)**
Withdrawal from free reserves	0	20,000,000
Dividend payment	20,000,000	20,000,000
Balance to be carried forward	1,671,247	(787,597)
Total appropriation of retained earnings	**21,671,247**	**(787,597)**

As the general reserves reached 20% of the share capital, no further allocation is made.

On behalf of the Board of Directors

Dr Pierin Vincenz
Chairman of the Board of Directors

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Report of the Statutory Auditor to the General Meeting of Shareholders of

Aduno Holding AG, Zurich

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Aduno Holding AG, which comprise the balance sheet, income statement, cash flow statement and notes (pages 86 to 91) for the year ended 31 December 2015.

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

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

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

Opinion
In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

KPMG

Aduno Holding AG, Zurich
Report of the Statutory Auditor on the Financial Statements
to the General Meeting of Shareholders

Report on Other Legal Requirements

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

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

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

KPMG AG

Marianne Müller	Volkan Gökdemir
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in Charge	

Zurich, 21 April 2016

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Annual report 2015

This annual report is published in German and English. The German version is binding for the annual report and the annual financial statements of Aduno Holding AG, and the English version is binding for the consolidated financial statements.

Exclusion of liability

This report contains forward-looking statements that do not give any guarantees for future performance. These statements contain risks and uncertainties, including but not restricted to future economic conditions, legal provisions, market conditions, activities of competitors and other factors that are outside the company's control.

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