Half Year Report
2016

Aduno Gruppe
the smart way to pay

Key figures

At a glance

Financial year		1st half year 2014 represented	1st half year 2015 represented	**1st half year 2016**	1st half year 2015/2016
Total revenue	in million CHF	242.5	245.2	315.1	28.5%
Results from operating activities in % of revenue	in million CHF	41.0 16.9%	42.9 17.5%	89.6 28.4%	108.7%
Profit for the period in % of revenue	in million CHF	36.2 14.9%	38.2 15.6%	74.9 23.8%	96.2%
Total assets	in million CHF	2,306.9	2,305.6	2,296.5	–0.4%
Total equity in % of total assets	in million CHF	456.4 19.8%	499.9 21.7%	598.6 26.1%	19.7%
Profit per share	in CHF	1,456	1,535	3,002	95.6%
Number of issued cards	in 1,000	1,296	1,339	1,401	4.7%
Merchant sales volume	in billion CHF	3.7	3.7	3.9	6.2%
Processed volume from issued cards	in billion CHF	3.7	3.7	4.0	6.6%
Consumer Finance portfolio	in million CHF	1,225	1,280	1,259	–1.6%
Number of employees	in FTE	670	728	806	10.7%

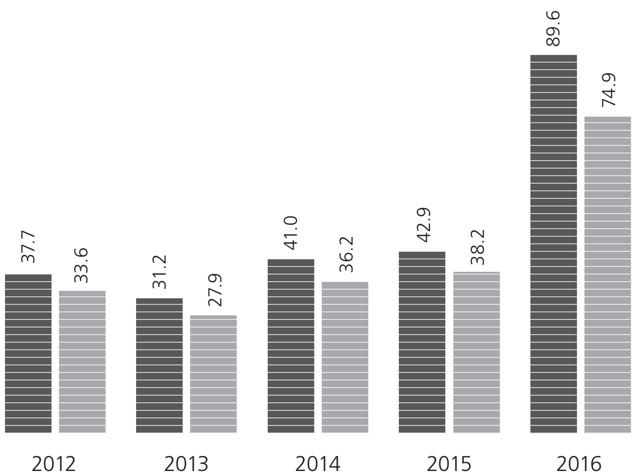
Distribution of revenue 30.06.2016 by source

[in million CHF]

- Commission income: 30.8%
- Annual fees: 17.7%
- Interest income: 16.0%
- Other income: 35.5%

Operating result and net profit

[in million CHF]



- Results from operating activities
- Profit for the period

Table of contents

"The Aduno Group improved its key key financial figures in the first half year of 2016: revenue improved to CHF 315.1 million, the operating result increased to CHF 89.6 million, and net profit rose to CHF 74.9 million."

Dr Pierin Vincenz

Ladies and Gentlemen

I am delighted that I can once again report on a successful first half year for the Aduno Group. Supported by positive consumer sentiment and low interest rates, the Aduno Group improved its key financial figures to new record levels: revenue improved considerably to CHF 315.1 million, the operating result increased to CHF 89.6 million and net profit rose to CHF 74.9 million. The turnover includes a substantial one-off contribution paid to the Aduno Group as a member of Visa Europe Ltd. following the latter's takeover by Visa Inc. But even without this exceptional item, the Aduno Group posted an impressive organic increase in volumes that partially compensated for the regulatory reduction in the interchange fee in the cards business and the lower maximum interest rate for personal credits. This is a good performance.

The Aduno Group is not only able to present good figures for the first half of 2016, but it can also report on the good progress made by its strategic projects. The Payment division launched the VisecaOne and Viseca MasterPass digital services with great success. VisecaOne is a free service that uses a simple, two-tier authentication system to make online shopping and payment more secure and convenient. In only six months, more than 400,000 cardholders registered for this service, and in this time our VisecaOne app was the most downloaded iOS and Android app in its category. This success motivates us to add additional functions that will improve the attractiveness of VisecaOne, such as real-time messages confirming credit card transactions, authentication by fingerprint and an overview of all transactions. VisecaOne users can at the same time benefit from the new Viseca MasterPass online payment solution, a digital wallet developed in collaboration with MasterCard. With Viseca MasterPass, users can conveniently store their payment cards in a single location and use it to pay for transactions at thousands of online shops all over the world. Merchant acceptance of Viseca MasterPass is growing continuously and this is likely to become the global standard in the future. The successful launch of VisecaOne and Viseca MasterPass confirms the Aduno Group's strategy and its focus on digital payment services.

Strategic considerations also motivated the acquisition of a stake in the Swiss fintech start-up Contovista. Contovista is the leading provider of personal finance management (PFM) solutions in Switzerland. The Aduno Group previously successfully collaborated with Contovista to develop a PFM product that can map creditcard transactions in e-banking applications for some of the cantonal banks. We are convinced of the enormous potential of such digital services based on data intelligence – a conviction that is confirmed by the fact that more banks will activate Contovista's PFM solution in the course of this year. Through our partnership with Contovista, we can provide our distribution and shareholder banks with optimised support in this regard.

In April, Consumer Finance reduced its interest rates for personal credits to less than the maximum interest rate of 10 per cent that took effect at the beginning of July. The new fixed interest rates are 7.9 and 9.9 per cent. A special interest rate of 4.9 per cent was introduced for home-owners, a particularly low-risk target group. Thus cashgate is continuing its fair and transparent price policy that clearly states the conditions that have to be met for a specific interest rate.

The outlook for the second half of 2016 is optimistic. The economic climate remains favourable to business: there are no signs of weakening consumer sentiment and interest rates are likely to remain low and exchange rates stable. The market for cashless payment solutions is expected to see above-average growth and should be boosted further by the introduction of mobile payment solutions. We also do not see the reduction in the interchange fee as a purely negative development: it makes the acceptance of credit cards more attractive to merchants, which will boost volumes and partially compensate for the reduced fee. The picture is less rosy for the credit business. We expect the market for personal credits to remain sluggish, in particular under the full impact of the reduced maximum interest rate and continued price pressure in the leasing segment. But cashgate will continue to do well with its clearly formulated price strategy. We will continue to invest heavily in strategic projects.

Once again, the good financial result and important milestones reached by the Aduno Group in the first half of 2016 are due mainly to the efforts of our employees. On behalf of the Board of Directors, I would like to thank all of them for their commitment. I 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

SUCCESSFUL FIRST HALF OF 2016 FOR THE ADUNO GROUP

Supported by persistently good consumer sentiment, the Aduno Group posted considerable growth in the Payment division and broke through the mark of 1.4 million issued cards for the first time. The Group continued to forge ahead with the digital transformation of the cards business. Consumer Finance held up very well in a competitive market.

The Aduno Group was in good shape in the first half of 2016 and increased its revenue by 28.5 per cent on the prior-year period to CHF 315.1 million. This growth was supported by the solid performance of the Payment division comprising the Issuing business of Viseca Card Services SA (Viseca), the Acquiring business of Aduno SA (Aduno) and AdunoKaution AG (AdunoKaution). The revenue also includes a substantial one-off contribution paid to the Aduno Group as a member of Visa Europe Ltd. following the latter's takeover by Visa Inc. The Payment division expanded its business volume considerably to partially compensate for the decline in commission income following the regulatory reduction of the domestic interchange fee from 0.95 per cent to 0.7 per cent in August 2015. The increase in new card sales is also encouraging, as this will grow the annual fees and generate higher commission income in future.

Consumer Finance with cashgate AG (cashgate) faced a market that is continuing to shrink in the first half of 2016. In this environment, the increase in new volumes for the personal credit business is particularly reassuring and compensated more or less for the margin decline resulting from the prescribed reduction in the maximum interest rate for personal credits, which was implemented early on 1 April 2016, as well as falling volumes in the leasing business.

The Aduno Group continued to invest heavily in digital transformation and mobile payment projects in the reporting period. This is also reflected in the number of employees: in the middle of 2016, the Aduno Group employed 806 full-time equivalents, 50 more than at the beginning of the year, as a result of which personnel expenses were also up from the same period last year. The operating result for the first half of 2016 was CHF 89.6 million, which is more than double the amount posted in the prior-year period, although this was largely due to the extraordinary contribution by Visa. The net profit was CHF 74.9 million.

Digital services are popular

In the reporting period, the Payment division continued to push ahead with the digital transformation of credit and PrePaid cards and its digital payment solutions. The launch of VisecaOne and Viseca MasterPass was a big success and more than 400,000 Viseca cardholders have already registered for these digital services and installed the free VisecaOne app. These customers now benefit from a simple but very secure authentication process for online payments. They can also use Viseca MasterPass, a digital wallet developed in collaboration with MasterCard. In contrast to other digital wallets, Viseca MasterPass is available globally. As it has already been launched in 34 countries, Viseca customers can also use this solution in foreign online shops. In Switzerland, Viseca MasterPass is supported by more than 2,500 online merchants.

The credit card interface for its personal finance management (PFM) solution developed in collaboration with the fintech start-up Contovista AG has also met with a positive response from customers and partner banks. Customers who activate this service in the e-banking portal of their house bank can view a list of all credit card transactions, search all transactions in e-banking and create diagrams to visualise all transactions, making it very easy for individual customers to keep track of their transactions. Given the enormous potential of such data analytics solutions, the Aduno Group acquired a stake of 14.3 per cent in Contovista AG.

Cardholders and merchants still favour the surprize rewards programme, which is also based on the intelligent linking of digital data. As many new partners from the consumer goods, clothing and transport sectors joined the programme in the first half of the year, cardholders have access to an even bigger selection of attractive rewards. Currently, more than 300,000 customers are registered with surprize and benefit from the offers of 49 partners.

Payment division as driver of Group growth

In the first six months of 2016, the Payment division increased its sales volume by 6.4 per cent to CHF 7.9 billion, with the Issuing and Acquiring segments each contributing about 50 per cent of this volume. The number of transactions increased by as much as 14.7 per cent to 90.7 million.

In the Issuing business, Viseca reported a transaction volume of CHF 4.0 billion, 6.6 per cent more than in the first half of 2015. Domestic sales improved more strongly at 8.6 per cent than sales transacted abroad, which improved by 4.5 per cent. To some extent this signals a return to “normality”. In the previous year, shopping tourism boosted by a strong franc supported a substantially stronger increase in sales transacted abroad, a situation that eased only with the weaker franc in the first half of 2016.

The increase of 14.2 per cent in new credit card sales is very encouraging. Viseca further enhanced the attractiveness of its credit cards in the first half of 2016 by expanding its insurance services for cardholders and optimising its fee structure. Thanks to this momentum in new sales, the total number of cards issued rose to a record 1.4 million, enabling Viseca to increase its market share over the prior-year period as measured against transaction volume and number of issued cards.

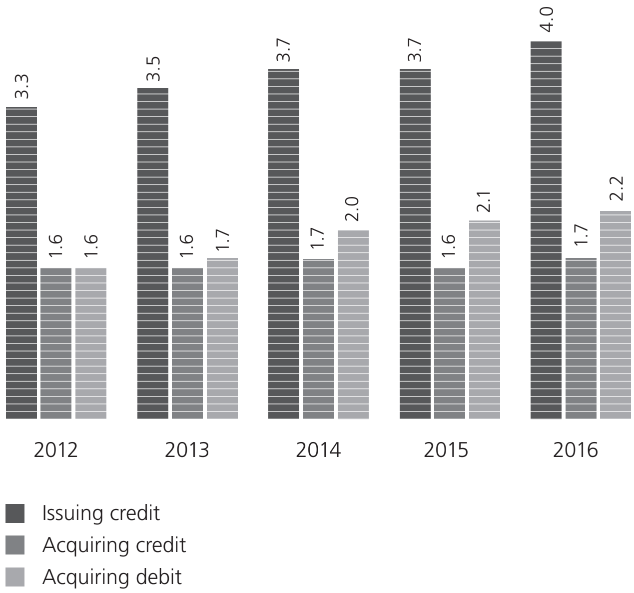
In step with the Issuing business, Aduno’s Acquiring volume rose by 6.2 per cent in the first half year to CHF 3.9 billion. The good news is that this growth was spread across all units: debit card sales volumes grew by 6.5 per cent and credit card sales volumes by 5.9 per cent. Turnover increased noticeably for domestic as well as foreign cardholders.

The Group's product portfolio was completed by the Aduno Anypay mobile payment solution (mPOS) in the second quarter. Anypay is a high-performance mobile card reader that uses Bluetooth to connect to an app on a smartphone or tablet, making it possible to accept all commonly issued cards, including Postcard. Anypay can be used for contactless and mobile payment transactions and is particularly suited for smaller businesses looking for a simple, secure and cost-efficient cashless payment solution.

The subsidiary Vibbek AG did very well in the reporting period. It acquired a major Swiss customer and other new international customers for its cloud-based software for payment terminals. More than 10,000 terminals already use Vibbek's software. The cloud solution greatly simplifies processes, in particular for large merchants with many points of sale.

At the beginning of July 2016, the Aduno Group took over SmartCaution SA, a company that operates mainly in the Geneva region. With this acquisition, AdunoKaution is now also active in the market for deposit bonds in French-speaking Switzerland. SmartCaution will continue to operate under its own name as part of the Payment division. Nothing will change for its customers, and all its employees will continue to work for SmartCaution. During the reporting period, AdunoKaution's guarantee deposit business was integrated more strongly with the Aduno Group's activities in Zurich. The company operates in the market with a new corporate image.

Payment turnover [in billion CHF]



Consumer Finance faces challenging market conditions

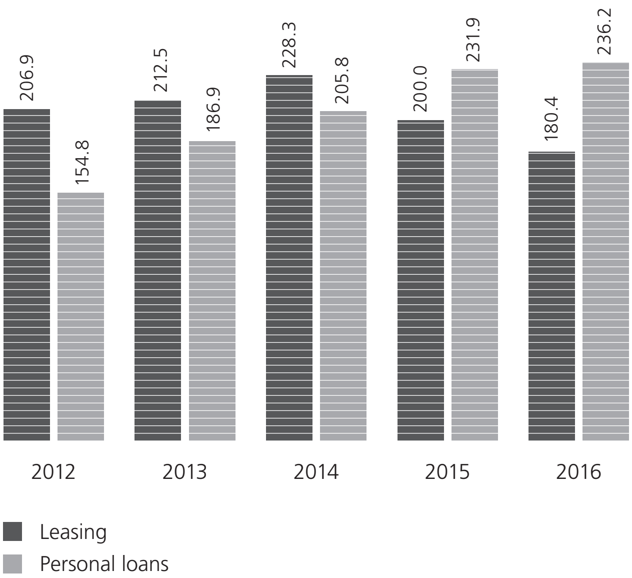
In the first half of 2016, Consumer Finance – including the cashgate personal credit and leasing business – was confronted with a challenging market environment. This is reflected in the new business volume, which was down on the first half of the previous year by CHF 416.6 million or 3.5 per cent. Both the market for personal credits and the leasing market were in decline.

The good news is that cashgate managed to continue on the path of growth for personal credits with new volumes improving by 1.9 per cent and the credit portfolio growing by 6.5 per cent. This further growth in market share was supported by the early adjustment of its successful two-tier pricing model to the maximum interest rate for personal credits of 10 per cent that took effect in the middle of the year. The new pricing model that has been in use since April was adjusted to the new requirements and applies transparent interest rates of 7.9 and 9.9 per cent. A special interest rate of

4.9 per cent was also introduced for customers who own residential property.

The leasing market was still very challenging in the first half of the year. Car prices remained stubbornly low and margins came under pressure from the aggressive pricing policies of manufacturers' own leasing companies. As a result, cashgate's new leasing business was down 9.8 per cent on the prior-year period. The portfolio contracted by 9.1 per cent. In May, cashgate added an innovative new product to its portfolio: Revi Leasing Senior helps to improve the mobility of retired people, thus targeting a new customer segment.

Consumer Finance new business
[in million CHF]



Financial Report
First Half Year 2016

Financial Report First Half Year 2016

Aduno Group
Condensed consolidated income statement

For the period ended 30 June

In 1,000 CHF	Note	2016 unaudited	2015 unaudited represented
Commission income	3	97,117	98,230
Annual fees		55,831	52,101
Interest income	4	50,477	51,165
Other income	5	111,662	43,688
Total revenue		**315,087**	**245,184**
Processing and service expenses		47,095	46,649
Distribution, advertising and promotion expenses		48,612	52,045
Interest expenses	4	11,508	12,718
Impairment losses from Payment and Consumer Finance	6	6,804	7,699
Personnel expenses		55,907	48,355
Other expenses	8	44,139	22,487
Depreciation		3,101	2,789
Amortisation		8,313	9,506
Total expenses		**225,479**	**202,248**
Results from operating activities		**89,608**	**42,936**
Income from associates		1,552	1,500
Profit before income tax		**91,160**	**44,436**
Income tax expenses		16,287	6,265
Profit for the period		**74,873**	**38,171**
Profit attributable to:			
Owners of the Company		75,048	38,365
Non-controlling interests		(175)	(194)
Earnings per share			
Basic earnings per share (in CHF)		3,001.91	1,534.59
Diluted earnings per share (in CHF)		3,001.91	1,534.59

Condensed consolidated statement of comprehensive income

For the period ended 30 June

In 1,000 CHF	Note	2016 unaudited	2015 unaudited
Profit for the period as per the condensed consolidated income statement		**74,873**	**38,171**
Other comprehensive income / (loss)			
Items that will not be reclassified to the income statement			
Remeasurement employee benefit obligations	7	(1,113)	(2,532)
Income tax relating to items not reclassified		237	522
Total items that will not be reclassified to the income statement, net		**(876)**	**(2,010)**
Items that may be reclassified subsequently to the income statement			
Foreign currency translation differences		1	(14)
Effective portion of changes in fair value of IRS cash flow hedges		902	(3,012)
Net unrealised gains / (losses) on financial investments available for sale		(232)	0
Income tax relating to items that may be reclassified		(55)	389
Total items that may be reclassified subsequently to the income statement, net		**616**	**(2,637)**
Other comprehensive income / (loss)		**(260)**	**(4,647)**
Total comprehensive income for the period		**74,613**	**33,524**
thereof attributable to:			
Owners of the Company		74,814	33,735
Non-controlling interests		(201)	(211)

Condensed consolidated statement of financial position

In 1,000 CHF	Note	30.06.2016 unaudited	31.12.2015 audited
Assets			
Cash and cash equivalents		133,077	90,002
Receivables from business unit Payment, net	9	459,521	435,681
Short-term receivables from business unit Consumer Finance, net	9	463,809	465,126
Inventories	10	4,205	4,020
Other receivables	11	95,664	94,308
Prepaid expenses		40,880	40,458
Total current assets		**1,197,156**	**1,129,595**
Long-term receivables from business unit Consumer Finance, net	9	815,059	812,588
Property and equipment		26,234	26,503
Goodwill		134,129	134,129
Other intangible assets		56,618	56,731
Investments in associates		42,561	39,509
Financial investments available for sale		17,096	0
Deferred tax assets		7,456	8,057
Total non-current assets		**1,099,153**	**1,077,517**
Total assets		**2,296,309**	**2,207,112**
Liabilities			
Payables to counterparties		223,240	227,167
Other trade payables		15,583	12,590
Short-term interest-bearing liabilities	13	729,136	524,637
Other payables		15,800	20,515
Provisions		520	190
Accrued expenses and deferred income		116,583	92,762
Current tax payable		20,373	8,559
Total current liabilities		**1,121,235**	**886,420**
Long-term interest-bearing liabilities	13	523,069	722,634
Provisions		1,569	1,108
Employee benefit obligations	7	42,029	39,440
Deferred tax liabilities		10,003	14,326
Total non-current liabilities		**576,670**	**777,508**
Total liabilities		**1,697,905**	**1,663,928**
Equity			
Share capital		25,000	25,000
Share premium		94,101	94,101
Reserves		480,093	424,537
Equity attributable to the owners of the company		**599,194**	**543,638**
Non-controlling interests		(790)	(454)
Total equity		**598,404**	**543,184**
Total equity and liabilities		**2,296,309**	**2,207,112**

Condensed consolidated statement of changes in equity

As at 30 June 2016 (unaudited)

In 1,000 CHF	Note	Share capital	Share premium	Translation reserve
Balance at 1 January 2016		25,000	94,101	(7)
Profit of the period		0	0	0
Unrealised gain/(losses)		0	0	0
Foreign currency translation differences		0	0	1
Effective portion of changes in fair value of cash flow hedges, net of tax		0	0	0
Remeasurement employee benefit obligations, net of tax	7	0	0	0
Total of other comprehensive income		0	0	1
Total comprehensive income for the period		**0**	**0**	**1**
Sale of non-controlling interests	19	0	0	0
Redemption of own equity instrument		0	0	0
Dividends to shareholders	15	0	0	0
Total transactions with owners		**0**	**0**	**0**
Balance at 30 June 2016		**25,000**	**94,101**	**(6)**

* Total equity attributable to owners of the Company

As at 31 December 2015 (audited)

In 1,000 CHF	Note	Share capital	Share premium	Translation reserve
Balance at 1 January 2015		25,000	94,101	0
Profit for the period		0	0	0
Foreign currency translation differences		0	0	(7)
Effective portion of changes in fair value of cash flow hedges, net of tax		0	0	0
Remeasurement employee benefit obligations, net of tax		0	0	0
Total of other comprehensive income		0	0	(7)
Total comprehensive income for the period		**0**	**0**	**(7)**
Acquisition of non-controlling interests		0	0	0
Issuance of own equity instrument		0	0	0
Dividends to shareholders		0	0	0
Total transactions with owners		**0**	**0**	**0**
Balance at 31 December 2015		**25,000**	**94,101**	**(7)**

* Total equity attributable to owner of the Company

The table is continued on the next page >

Hedging reserve	Employee benefit obligations	Derivative on own equity	Financial investments available for sale	Retained earnings	Total*	Non-controlling interests	Total equity
(1,870)	(20,036)	(116)	0	446,566	543,638	(454)	543,184
0	0	0	0	75,048	75,048	(175)	74,873
0	0	0	(184)	0	(184)	0	(184)
0	0	0	0	0	1	0	1
799	0	0	0	0	799	0	799
0	(850)	0	0	0	(850)	(26)	(876)
799	(850)	0	(184)	0	(234)	(26)	(260)
799	**(850)**	**0**	**(184)**	**75,048**	**74,814**	**(201)**	**74,613**
0	(25)	0	0	767	742	(135)	607
0	0	116	0	(116)	0	0	0
0	0	0	0	(20,000)	(20,000)	0	(20,000)
0	**(25)**	**116**	**0**	**(19,349)**	**(19,258)**	**(135)**	**(19,393)**
(1,071)	**(20,911)**	**0**	**(184)**	**502,264**	**599,194**	**(790)**	**598,404**

Hedging reserve	Employee benefit obligations	Derivative on own equity	Financial investments available for sale	Retained earnings	Total*	Non-controlling interests	Total equity
(1,041)	(23,056)	0	0	392,293	487,297	(910)	486,387
0	0	0	0	74,900	74,900	(283)	74,617
0	0	0	0	0	(7)	(4)	(11)
(829)	0	0	0	0	(829)	0	(829)
0	3,020	0	0	0	3,020	0	3,020
(829)	3,020	0	0	0	2,184	(4)	2,180
(829)	**3,020**	**0**	**0**	**74,900**	**77,084**	**(287)**	**76,797**
0	0	0	0	(743)	(743)	743	0
0	0	(116)	0	116	0	0	0
0	0	0	0	(20,000)	(20,000)	0	(20,000)
0	**0**	**(116)**	**0**	**(20,627)**	**(20,743)**	**743**	**(20,000)**
(1,870)	**(20,036)**	**(116)**	**0**	**446,566**	**543,638**	**(454)**	**543,184**

As at 30 June 2015 (unaudited)

In 1,000 CHF	Note	Share capital	Share premium	Translation reserve
Balance at 1 January 2015		25,000	94,101	0
Profit of the period		0	0	0
Foreign currency translation differences		0	0	(10)
Effective portion of changes in fair value of cash flow hedges, net of tax		0	0	0
Remeasurement employee benefit obligations, net of tax		0	0	0
Total of other comprehensive income		0	0	(10)
Total comprehensive income for the period		**0**	**0**	**(10)**
Acquisition of non-controlling interests		0	0	0
Dividends to shareholders		0	0	0
Total transactions with owners		**0**	**0**	**0**
Balance at 30 June 2015		**25,000**	**94,101**	**(10)**

* Total equity attributable to owners of the Company

The table is continued on the next page >

Hedging reserves	Employee benefit obligations	Derivative on own equity	Financial investments available for sale	Retained earnings	Total*	Non-controlling interests	Total equity
(1,041)	(23,056)	0	0	392,293	487,297	(910)	486,387
0	0	0	0	38,365	38,365	(194)	38,171
0	0	0	0	0	(10)	(4)	(14)
(2,623)	0	0	0	0	(2,623)	0	(2,623)
0	(1,997)	0	0	0	(1,997)	(13)	(2,010)
(2,623)	(1,997)	0	0	0	(4,630)	(17)	(4,647)
(2,623)	**(1,997)**	**0**	**0**	**38,365**	**33,735**	**(211)**	**33,524**
0	0	0	0	(743)	(743)	743	0
0	0	0	0	(20,000)	(20,000)	0	(20,000)
0	**0**	**0**	**0**	**(20,743)**	**(20,743)**	**743**	**(20,000)**
(3,664)	**(25,053)**	**0**	**0**	**409,915**	**500,289**	**(378)**	**499,911**

Condensed consolidated statement of cash flows

For the period ended 30 June

In 1,000 CHF	Note	2016 unaudited	2015 unaudited represented
Cash flows from operating activities			
Profit for the period		74,873	38,171
Adjustments for non-cash items:			
Interest income	4	(50,477)	(51,165)
Interest expenses	4	11,508	12,718
Impairment losses	6	5,579	5,820
Income tax expenses		16,287	6,265
Depreciation		3,101	2,789
Amortisation		8,313	9,506
Loss on disposals of property and equipment and intangible assets		12	(32)
Income from associates		(1,552)	(1,500)
(Increase)/decrease in receivables from business unit Payment, net	9	(23,839)	(47,734)
(Increase)/decrease in receivables from business unit Consumer Finance, net	9	(1,155)	(21,050)
(Increase)/decrease in inventories	10	(185)	1,394
(Increase)/decrease in other trade receivables and other receivables		(1,439)	(4,687)
(Increase)/decrease in prepaid expenses		(422)	4,697
Increase/(decrease) in payables to counterparties		(3,927)	66,106
Increase/(decrease) in other trade payables		2,993	(1,253)
Increase/(decrease) in other payables		(4,043)	(4,464)
Increase/(decrease) in accrued expenses and deferred income		23,821	(1,289)
Increase/(decrease) in provisions		981	16
Increase/(decrease) in employee benefit obligations charged to the income statement		(1,168)	1,249
(Increase) / decrease in financial investment available for sale	5	(17,096)	0
Foreign exchange and other financial items		(238)	(528)
Interest received		44,898	45,345
Interest paid		(11,508)	(12,165)
Income tax paid		(4,232)	(7,132)
Net cash from/(used in) operating activities		**71,085**	**41,077**
Cash flows from investing activities			
Acquisition of property and equipment		(3,007)	(2,030)
Acquisition of other intangible assets		(8,200)	(2,874)
Acquisition of investments in associates		(3,000)	0
Dividends received from associates		1,500	1,500
Net cash from/(used in) investing activities		**(12,707)**	**(3,404)**

In 1,000 CHF	Note	2016 unaudited	2015 unaudited represented
Cash flows from financing activities			
Proceeds from interest-bearing liabilities	13	404,650	207,809
Repayment of interest-bearing liabilities	13	(399,715)	(226,025)
Dividends paid	15	(20,000)	(20,000)
Net cash from / (used in) financing activities		**(15,065)**	**(38,216)**
Net increase in cash and cash equivalents		43,313	(544)
Cash and cash equivalents at 1 January		90,002	12,429
Effect of exchange rate fluctuations on cash held		(238)	(25)
Cash and cash equivalents at 30 June		**133,077**	**11,860**

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Aduno Holding AG (Aduno Holding or Company) is a company domiciled in Zurich (Switzerland). The condensed consolidated interim financial statements of the Company as at 30 June 2016 and for the six months ended 30 June 2016 comprise Aduno Holding AG and its subsidiaries (together referred to as the Group).

The Group provides financial services in the fields of cashless payment solutions and consumer finance services.

Statement of compliance
These unaudited condensed consolidated interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015. The condensed interim financial statements were approved on 18 August 2016.

Estimates
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these condensed consolidated interim financial statements, the significant judgements made by management in application of the Group's accounting policies and the key sources of estimation were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2015.

Foreign currency transactions
The following exchange rates applied for significant currency exposures:

	Average rates		Closing rates as per	
CHF	First HY 2016	First HY 2015	30.06.2016	30.06.2015
EUR 1	1.1086	1.0568	1.0995	1.0484
USD 1	0.9898	0.9515	0.9898	0.9367
GBP 1	1.4158	1.4560	1.3271	1.4737

Voluntary changes in presentation
As discussed in the annual report 2015, the Group has aligned its external presentation of the profit and loss to the internal used management structure. Consequently, the unaudited half year presentation of the 2015 figures are represented accordingly. Interest expenses, including financial expenses (2015: CHF 12.7 million), and impairment losses (2015: CHF 7.7 million), are presented as part of the operating expenses, and not as part of total revenue and financial expenses respectively. In addition, expenses that can be allocated to core products of the Group's payment business (e.g. shipping and delivery costs) are no longer disclosed as other expenses (2015: decrease by CHF 4.2 million) but as part of the service expenses (2015: increase by CHF 4.2 million). Due to these changes, total revenue for the first half year 2015 increased by CHF 19.9 million to CHF 245.2 million and total expenses increased by CHF 20.4 million to CHF 202.2 million. These changes in presentation have no impact on the profit for the first half year 2015, which remains at CHF 38.2 million.

Significant accounting policies
Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

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:

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
Equity Method in Separate Financial Statements (Amendments to IAS 27)
Annual Improvements to IFRSs 2012-2014 Cycle
Disclosure Initiative (Amendments to IAS 1)

The above 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 condensed consolidated interim 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			
Disclosure Initiative (Amendments to IAS 7)	**	1 January 2017	Reporting year 2017
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	**	1 January 2017	Reporting year 2017
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	

* Impact not yet assessed
** No or no significant impacts are expected on the consolidated financial statements of the Group.

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 Card Services SA and its subsidiary Aduno SA, as well as through AdunoKaution 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.

Consumer Finance

The business unit Consumer Finance sells and operates leasing contracts and loans for consumer goods to private and corporate clients. The business unit Consumer Finance is operated by cashgate AG. 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 results of Aduno Holding.

Segments' assets and liabilities

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 (30 June 2015: none).

The following table presents certain information regarding the operating segments, based on management's evaluation and the internal reporting structure, on 30 June 2016 and 30 June 2015 for the first half year (unaudited).

In 1,000 CHF	Payment 2016	Payment 2015 represented
Commission income	89,831	91,311
Annual fees	55,831	52,101
Interest income	7,783	7,467
Other income	100,455	29,459
Total revenue	**253,900**	**180,338**
Processing and service expenses	46,934	46,031
Distribution, advertising and promotion expenses	43,583	48,008
Interest expenses	7,023	6,315
Impairment losses from Payment and Consumer Finance	1,226	1,879
Personnel expenses	46,196	38,535
Other expenses	47,660	23,912
Depreciation	2,188	2,004
Amortisation	4,633	4,717
Total expenses	**199,443**	**171,401**
Results from operating activities	**54,457**	**8,937**
Income from associates	1,552	1,500
Profit before income tax	**56,009**	**10,437**
Income tax expenses	11,678	2,239
Profit for the period	**44,331**	**8,198**

The table is continued on the next page >

Consumer Finance		Internal Financing		Total operating segments		Corporate Functions / Consolidation		Consolidated	
2016	2015 represented	**2016**	2015 represented	**2016**	2015 represented	**2016**	2015 represented	**2016**	2015 represented
0	0	7,286	6,919	97,117	98,230	0	0	97,117	98,230
0	0	0	0	55,831	52,101	0	0	55,831	52,101
44,488	45,469	14,301	15,652	66,572	68,588	(16,095)	(17,423)	50,477	51,165
3,933	3,533	26,487	29,311	130,875	62,303	(19,213)	(18,615)	111,662	43,688
48,421	**49,002**	**48,074**	**51,882**	**350,395**	**281,222**	**(35,308)**	**(36,038)**	**315,087**	**245,184**
662	761	0	0	47,596	46,792	(501)	(143)	47,095	46,649
10,304	10,449	0	2	53,887	58,459	(5,275)	(6,414)	48,612	52,045
8,578	10,332	15,256	16,327	30,857	32,974	(19,349)	(20,256)	11,508	12,718
5,578	5,820	0	0	6,804	7,699	0	0	6,804	7,699
9,342	9,510	369	343	55,907	48,388	0	(33)	55,907	48,355
6,053	6,748	2,353	2,714	56,066	33,374	(11,927)	(10,887)	44,139	22,487
322	332	205	206	2,715	2,542	386	247	3,101	2,789
2,293	3,403	1,324	1,324	8,250	9,444	63	62	8,313	9,506
43,132	**47,355**	**19,507**	**20,916**	**262,082**	**239,672**	**(36,603)**	**(37,424)**	**225,479**	**202,248**
5,289	**1,647**	**28,567**	**30,966**	**88,313**	**41,550**	**1,295**	**1,386**	**89,608**	**42,936**
0	0	0	0	1,552	1,500	0	0	1,552	1,500
5,289	**1,647**	**28,567**	**30,966**	**89,865**	**43,050**	**1,295**	**1,386**	**91,160**	**44,436**
1,099	608	3,286	3,169	16,063	6,016	224	249	16,287	6,265
4,190	**1,039**	**25,281**	**27,797**	**73,802**	**37,034**	**1,071**	**1,137**	**74,873**	**38,171**

3. Commission income

In 1,000 CHF	First half year 2016	First half year 2015 represented
Interchange revenue and related revenue	67,155	69,207
Currency exchange commissions	19,126	18,185
Other commission revenue	10,836	10,838
Commission income	**97,117**	**98,230**

The impairment losses from the Payment business are presented separately in note 6 and no longer as part of the commission income. The total commission income of the first half year 2015 is represented accordingly.

4. Interest income and interest expenses

In 1,000 CHF	First half year 2016	First half year 2015 represented
Interest income	50,477	51,165
Interest expenses	11,508	12,718
Interest income, net	**38,969**	**38,447**

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 card holders 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 revenue generating businesses. The impairment losses are presented separately in note 6 and no longer as part of the net interest income and expenses. The net interest income of the first half year 2015 is represented accordingly.

5. Other income

In 1,000 CHF	First half year 2016	First half year 2015
Foreign exchange gain or loss, net	20,481	22,308
Income from services	17,130	14,936
Income from terminal sales	973	928
Other income	73,078	5,516
Other income	**111,662**	**43,688**

As a former member of Visa Europe Ltd. the business unit Payment benefited from selling Visa Europe Ltd. to Visa Inc. The Group received contributions at a total value of CHF 71.7 million, including preferential Visa Inc. shares at a value of CHF 17.3 million as per date of transaction.

6. Impairment losses from Payment and Consumer Finance

In 1,000 CHF	First half year 2016	First half year 2015
Impairment losses on commission income	1,225	1,879
Impairment losses on interest income	5,579	5,820
Impairment losses	**6,804**	**7,699**

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.

7. Employee benefit obligations

The increase of the employee benefit obligations by CHF 2.6 million during the reporting period is due mainly to a significant reduction of the discount rate.

8. Other expenses

In 1,000 CHF	First half year 2016	First half year 2015 represented
Audit and professional services	6,427	5,920
IT expenses	8,904	8,085
Telephone and postage	1,031	1,193
Premises expenses	3,778	3,562
Travel and representation	492	497
Loss on sale of property and equipment and intangible assets	12	(32)
Other administration expenses	23,495	3,262
Other expenses	**44,139**	**22,487**

The item “Other administration expenses” includes a deferral relating to the outsourcing of business activities between the business units Payment and Internal Finance in the amount of CHF 18 million.

9. Receivables from Payment and Consumer Finance

In 1,000 CHF	30.06.2016	31.12.2015
Receivables from card holders	376,773	345,275
Receivables from debt collection	4,215	4,229
Receivables for which fraud is assumed	298	251
Receivables from card schemes	76,713	84,314
Other receivables from Payment business	2,972	3,128
Allowance for doubtful debts	(1,450)	(1,516)
Total receivables from business unit Payment	**459,521**	**435,681**

In 1,000 CHF	30.06.2016	31.12.2015
Short-term receivables from Consumer Finance	472,631	474,065
Short-term allowance for doubtful debts	(8,822)	(8,939)
Short-term receivables from Consumer Finance	**463,809**	**465,126**
Long-term receivables from Consumer Finance	830,961	828,553
Long-term allowance for doubtful debts	(15,902)	(15,965)
Long-term receivables from Consumer Finance	**815,059**	**812,588**
Total receivables from Consumer Finance	**1,278,868**	**1,277,714**

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

In 1,000 CHF	Gross amount 30.06.2016	Allowance 30.06.2016	Gross amount 31.12.2015	Allowance 31.12.2015
Receivables from card holders				
Not past due	372,169	0	341,556	0
Past due 1–30 days	3,135	0	2,713	0
Past due 31–60 days	1,074	0	629	0
Past due 61–90 days	317	0	322	0
Past due for more than 90 days	78	0	55	0
Total	**376,773**	**0**	**345,275**	**0**
Receivables from debt collection				
Past due for more than 90 days	4,215	(1,148)	4,229	(1,226)
Total	**4,215**	**(1,148)**	**4,229**	**(1,226)**
Receivables for which fraud is assumed				
Past due 1–30 days	275	(113)	196	(58)
Past due 31–60 days	21	(21)	20	(20)
Past due 61–90 days	2	(2)	26	(26)
Past due for more than 90 days	0	(0)	9	(9)
Total	**298**	**(136)**	**251**	**(113)**
Receivables from card schemes and others				
Due on sight	79,365	0	87,174	0
Past due	320	(166)	268	(177)
Total	**79,685**	**(166)**	**87,442**	**(177)**
Receivables from business unit Consumer Finance				
Past due	32,259	(773)	29,842	(747)
Due on sight	11,523	(290)	8,875	(222)
Due within up to 3 months	129,844	(2,211)	131,313	(2,280)
Due within 4–12 months	299,005	(5,548)	304,035	(5,690)
Total current receivables	**472,631**	**(8,822)**	**474,065**	**(8,939)**
Due within 1–3 years	626,700	(11,956)	627,931	(12,072)
Due after more than 3 years	204,261	(3,946)	200,622	(3,893)
Total non-current receivables	**830,961**	**(15,902)**	**828,553**	**(15,965)**
Total	**1,303,592**	**(24,724)**	**1,302,618**	**(24,904)**

Receivables from Payment business
Receivables from card holders consist of regular open balances on the credit card account of credit cardholders. Open balances from card holders due more than 90 days are transferred into a dedicated and monitored collection portfolio. The balance of the collection portfolio amounts to CHF 4.2 million as at 30 June 2016 (31 December 2015: CHF 4.2 million) and is shown under receivables from debt collection.

If a card holder transaction tends to be fraudulent, the respective balance is transferred into a dedicated fraud portfolio until the case is settled. Bad debts amounted to CHF 0.3 million as at 30 June 2016 (31 December 2015: CHF 0.3 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 76.7 million as at 30 June 2016 (31 December 2015: CHF 84.3 million) reflects the transmitted merchant transactions of the last days before closing. The open settlement balances to the card schemes are settled daily. In past years, all daily balances to the schemes were 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 as at 30 June 2016 (31 December 2015: CHF 1.3 million) and are contained in the other receivables from Payment Business. This is 0.3% (31 December 2015: 0.3%) of the total receivables of the Payment Business. Allowances for doubtful debts are built according to the ageing of the overdue receivables; where receivables are overdue more than 12 months, they are provided for 100%.

Other receivables from Payment Business also contain receivables related to the currency conversion amounting to CHF 1.3 million (31 December 2015: CHF 1.9 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 out of the car leasing business. Finance lease receivables are collateralised by the financed cars, while consumer loans are not collaterised.

Open balances from the Consumer Finance segment due for more than 90 days are transferred into 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 under the position "Allowance for doubtful debts".

In 1,000 CHF	30.06.2015	31.12.2015
Receivables from consumer loans	688,589	658,913
Receivables from finance lease	615,003	643,705
Total receivables from business unit Consumer Finance	**1,303,592**	**1,302,618**

Receivables from finance lease

In 1,000 CHF	30.06.2016	31.12.2015
Current receivables from finance lease		
Gross investment in finance lease	297,152	295,423
Unearned finance income	66,511	54,647
Present value of minimum lease payments	**230,641**	**240,776**
Non-current receivables from finance lease		
Gross investment in finance lease	420,146	441,993
Unearned finance income	35,782	39,064
Present value of minimum lease payments	**384,364**	**402,929**
Gross receivables from finance lease		
Due within up to 1 year	297,150	295,423
Due within 1 to 5 years	420,146	441,993
Unearned finance income	102,293	93,711
Present value of minimum lease payments	**615,003**	**643,705**

Allowance 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	**30.06.2016**	31.12.2015
Allowance for doubtful debts, business unit Payment		
Balance at 1 January	(1,516)	(1,913)
Increase / decrease	66	397
Balance at reporting date	**(1,450)**	**(1,516)**

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	**30.06.2016**	31.12.2015
Allowance for doubtful debts, business unit Consumer Finance		
Balance at 1 January	(24,904)	(16,988)
Increase / decrease	180	(7,916)
Balance at reporting date	**(24,724)**	**(24,904)**

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 which are then collectively assessed for any impairment that will be 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 that consider 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 business and Consumer Finance, on average about 98% (31 December 2015: 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.

10. Inventories

In 1,000 CHF	**30.06.2016**	31.12.2015
Raw materials	2,131	2,221
Terminals – new	1,180	872
Terminals – used	894	927
Total inventories	**4,205**	**4,020**

In the first six months of 2016, costs of CHF 3.8 million were recognised as an expense (first six months 2015: CHF 3.2 million). Write-downs of CHF 0.5 million were recognised on inventories to net realisable value (first six months 2015: CHF 0.9 million).

11. Other receivables

The other receivables consist mainly of deposits reserved to cover the clients' prepayments on PrePaid credit cards.

12. Financial instruments

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.

	30.06.2016				31.12.2015			
In 1,000 CHF	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial investments available for sale	0	17,096	0	17,096	0	0	0	0
Derivative financial instruments	0	49	0	49	0	131	0	131
Total financial assets carried at fair value	0	**17,145**	**0**	**17,145**	**0**	**131**	**0**	**131**
Derivative financial instruments	0	(1,506)	0	(1,506)	0	(2,225)	0	(2,225)
Total financial liabilities carried at fair value	**0**	**(1,506)**	**0**	**(1,506)**	**0**	**(2,225)**	**0**	**(2,225)**

13. Interest-bearing liabilities

In 1,000 CHF	30.06.2016	31.12.2015
Other bank liabilities	14,188	9,715
Current portion of syndicated loan	390,000	390,000
Current portion of unsecured bond issues	324,948	124,922
Short-term interest-bearing liabilities	**729,136**	**524,637**
Unsecured bond issue, long term	523,069	722,634
Long-term interest-bearing liabilities	**523,069**	**722,634**
Total interest-bearing liabilities	**1,252,205**	**1,247,271**

Terms and debt repayment schedule

In 1,000 CHF	Currency	Nominal interest rate	Year of maturity	Nominal value 30.06.2016	Carrying amount 30.06.2016	Nominal value 31.12.2015	Carrying amount 31.12.2015
Syndicated loan	CHF	0.68%	2016	300,000	300,000	300,000	300,000
Syndicated loan	CHF	0.68%	2016	90,000	90,000	90,000	90,000
Unsecured bond issue	CHF	3 M Libor + 35bp	2016	125,000	124,994	125,000	124,922
Unsecured bond issue	CHF	3 M Libor*	2017	100,000	99,986	100,000	99,977
Unsecured bond issue	CHF	0.00%	2017	100,000	99,968	100,000	99,950
Unsecured bond issue	CHF	2.25%	2017	250,000	249,459	250,000	249,233
Unsecured bond issue	CHF	1.125%	2021	275,000	273,611	275,000	273,474
Other bank liabilities	CHF	0.78%	current account	9,416	9,416	5,340	5,340
Other bank liabilities	various	0.78%	current account	4,771	4,771	4,375	4,375
Total				**1,254,187**	**1,252,205**	**1,249,715**	**1,247,271**

* Floor at 0% and Cap at 0.05%

Syndicated loan
As at 30 June 2016, the Group has a syndicated loan facility of CHF 1,050 million headed by Zurich Cantonal Bank (ZKB) (31 December 2015: 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 at 30 June 2016, the syndicated loan amounts to CHF 390 million nominal (31 December 2015: CHF 390 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 35bp and expires in 2016. In 2016, the effective interest rate amounted to 0.115%.

Two 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 0.00% 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% and a cap at 0.05% expiring in 2017 with an effective interest rate of 0.018%.

Other bank liabilities
As at 30 June 2016, the Group has access to bilateral credit facilities with ZKB of CHF 700 million (31 December 2015: CHF 700 million). The interest rate for these facilities is set at the market interest rate based on the maturity, plus a fixed credit margin.

As at 30 June 2016, the total of the other bank liabilities amount to CHF 14.2 million (31 December 2015: CHF 9.7 million).

14. Contingent liabilities

The contingent liabilities have remained unchanged as described in the Annual Report 2015.

15. Share capital and reserves

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

In 1,000 CHF	Paid in first half year 2016	Paid in 2015
Total dividend	20,000	20,000
Dividend per share in CHF	800	800

16. Financial risk management

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	30.06.2016 Fair value	Carrying amount	31.12.2015 Fair value
Cash and cash equivalents	133,077	133,077	90,002	90,002
Receivables from business unit Payment, net	459,521	459,521	435,681	435,681
Receivables from business unit Consumer Finance, net	1,278,868	1,278,868	1,277,714	1,277,714
Other trade receivables and other receivables	84,936	84,936	87,158	87,158
Financial investments available for sale	17,096	17,096	0	0
Total financial assets	**1,973,498**	**1,973,498**	**1,890,555**	**1,890,555**
Payables to counterparties	223,240	223,240	227,167	227,167
Other trade payables	15,583	15,583	12,590	12,590
Short-term interest-bearing liabilities	729,136	728,631	524,637	524,087
Other payables	12,136	12,136	15,043	15,043
Accrued expenses	42,007	42,007	37,863	37,863
Long-term interest-bearing liabilities	523,069	549,288	722,634	748,035
Total financial liabilities	**1,545,171**	**1,570,885**	**1,539,934**	**1,564,785**
Derivatives with positive fair values	49	49	131	131
Derivatives with negative fair values	(386)	(386)	(234)	(234)
Derivatives held for trading	**(337)**	**(337)**	**(103)**	**(103)**
Derivatives with positive fair values (IRS)	0	0	0	0
Derivatives with negative fair values (IRS)	(1,120)	(1,120)	(1,991)	(1,991)
Derivatives used for hedging	**(1,120)**	**(1,120)**	**(1,991)**	**(1,991)**

17. Related parties

Transactions with shareholders and associates

The transactions between Aduno Group and related parties during the first six months of 2016 are at arm's length and have not experienced major changes. For a detailed description of transactions, please refer to the consolidated annual financial statement 2015.

18. Group companies

In 1,000	Country of incorpo-ration	Currency	Share capital 30.06.2016	Share capital 31.12.2015	Ownership interest 30.06.2016	Ownership interest 31.12.2015
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%
AdunoKaution AG, Zurich (ZH)	Switzerland	CHF	1,365	1,365	100%	100%
Aduno SA, Bedano (TI)	Switzerland	CHF	120	120	100%	100%
cashgate AG, Zurich (ZH)	Switzerland	CHF	35,000	35,000	100%	100%
Contovista AG, Schlieren (ZH)	Switzerland	CHF	140	–	14.3%	–
SwissWallet AG, Zurich (ZH)	Switzerland	CHF	105	105	33.3%	33.3%
Vibbek AG, Urdorf (ZH)	Switzerland	CHF	1,300	1,300	67%	74.6%
Vibbek GmbH, Hamburg	Germany	EUR	25	25	67%*	74.6%*
Viseca Card Services SA, Zurich (ZH)	Switzerland	CHF	20,000	20,000	100%	100%

* Vibbek GmbH is fully owned by Vibbek AG.

As of 30 March 2016, Aduno Holding acquired a 14.3% share stake in Contovista AG in Schlieren, canton of Zurich. Contovista develops software for Personal Finance Management and distributes it to banks.

19. Sale of Non-controlling interests

In March 2016, Aduno Holding sold 7.6% of its 74.6% ownership interest in Vibbek AG to the existing Non-controlling interests (NCI). Consequently, the ownership interest of the Group decreased by 7.6% to 67.0%. The NCI decreased by CHF 0.1 million and the retained earnings increased by CHF 0.8 million. The following table summarises the effect of changes in the Company's ownership interest in Vibbek AG.

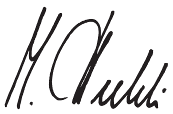
In 1,000 CHF	
Company's ownership interest at 1 January 2016	(1,312)
Effect on decrease in Company's ownership interest	135
Share of comprehensive income	(407)
Company's ownership interest at 30 June 2016	**(1,584)**

20. Subsequent events

As of 1 July 2016 Aduno Holding acquired 100% of SmartCaution SA, a company active in the French part of Switzerland. This acquisition will strengthen the Aduno Group's position in the deposit guarantees market. SmartCaution will continue to use its own name in the market, and there will be no change for its clients. All SmartCaution employees will be retained.

Zurich, 18 August 2016

Dr Pierin Vincenz
Chairman of the Board of Directors



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Half Year Report 2016

This Half Year Report is published in German and English. The English version is binding for the condensed consolidated financial statements.

Exclusion of liability

This report contains forward-looking statements that do not give any guarantees of 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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