

Compensation Report 2014

Extract from the Annual Report 2014



Compensation Report

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Compensation Report

Message from the Chairman of the Compensation and Nomination Committee

Dear Shareholders

It is my pleasure to inform you that Cembra Money Bank recorded another solid financial result in 2014. Since the IPO in 2013 we made significant progress on our quantitative and qualitative objectives such as business transition, compliance, funding and digitisation. The compensation paid to the members of the Management Board reflects our positive business performance, which was beyond our expectations this year. This link between pay and performance ensures the alignment between the interests of our shareholders and the Management Board.

Transparency related to the compensation of the Board of Directors and Management Board has always been our philosophy. We comply with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (OaEC) which entered into force on 1 January 2014. Institutional investors also place emphasis on a transparent disclosure of the compensation of the Board of Directors and the Management Board. We, therefore, review the compensation plans continuously to ensure that they align with the interests of our shareholders. We are pursuing a staggered approach to further improve our compensation system.

In 2014 the following changes were initiated to the compensation system:

- The variable compensation for the Management Board is linked to business and individual performance criteria and is paid in the form of cash and restricted stock units (RSUs). The vesting period with regard to the RSUs will be extended by deferring the vesting of the 1st tranche. Instead of one-third vesting annually on each of the first, second and third anniversaries from the date of grant, RSUs granted for the performance year 2015 will vest annually in the second, third and fourth year from the date of grant.
- At the end of 2014, the Bank asked Hay Group to conduct a benchmark study to review the compensation of the members of the Board of Directors as well as of its Management Board. The peer group includes large, medium-sized and small corporations (see also page 64). Although our peer group consists partially of large corporations the size of the company is taken into account and only comparable positions are included in the benchmarking.

We consider the opinions and assistance of our relevant stakeholders extremely valuable when driving improvements in our compensation system. Looking ahead, we will continue to assess and improve our compensation system to foster sustainable performance, prudent risk taking and ensure the link between pay and performance.

Christopher M. Chambers

1 Compensation Principles

The Bank's overall goal is to build on its position as a leading consumer finance provider in Switzerland. The success of the Bank depends largely on the quality and engagement of its employees. Abilities, dedication and motivation of the employees at all levels enable the achievement of shared and individual objectives.

The Bank has generally implemented the principles of the FINMA Circular 2010/1 Remuneration schemes defining minimum standards for remuneration schemes applicable to financial institutions. The implementation of these rules is not mandatory for the Bank. However, the Bank decided to comply with the most important standards, which are applicable to the Bank as a recommendation only, since 2011, defining minimum standards for remuneration schemes applicable to financial institutions.

Key Changes implemented during 2014

The Bank has opted for an early implementation of the requirements of the Ordinance against Excessive Compensation in Listed Corporations (OaEC) and has submitted for proposal the amended Articles of Incorporation at its first General Meeting as a listed company on 13 May 2014 which were approved by shareholders.

The revised Articles of Incorporation include rules on:

- The vote on the compensation of the members of the Board of Directors and the Management Board by the General Meeting (art. 11a)
- The principles regarding the compensation of the members of the Board of Directors and the Management Board (art. 25c, art. 25d, art. 25e, art. 25f, art. 25h)

- Allocation of equity securities, loans, credits and pension benefits not based on occupational pension schemes (art. 25g)
- Additional compensation amount for new hires and promotions for the Management Board (art. 25e).

For more information refer to the Articles of Incorporation which are available on the website: www.cembra.ch/en/investor → Corporate Governance → Regulations and Principles

Guiding Principles

Appropriate compensation principles are the key for the future development of the Bank. The Bank's compensation philosophy is therefore designed to attract, motivate, and retain qualified, talented people that the Bank needs to succeed in a competitive environment. The compensation system is designed to support this fundamental objective and is based on the following three guiding principles:

1. Pay for Performance

Variable compensation of the members of the Management Board is based on the achievements of the Bank's goals as well as the individual contribution to the business results, while creating the tangible link between pay and performance. Clear caps are applied to the variable compensation components.

2. Benchmarking and Market Competitiveness

In line with best practice the Bank regularly benchmarks the compensation for the Bank's executives to verify appropriateness and competitiveness. Objective is to ensure that pay is in line with market developments in order to be able to attract and retain talented executives.

3. Fairness and Transparency

It is the aim of the Bank to provide appropriate and competitive compensation to the employees and to support their development in a high performance environment. The compensation system ensures that the compensation is based on the responsibilities and performance of the employees.

2 Compensation Governance

The compensation paid to the members of the Board of Directors is determined and reviewed annually by the Compensation and Nomination Committee and is submitted to the Board of Directors for approval within the parameters approved by the General Meeting.

The Compensation and Nomination Committee at least once a year reviews and makes a recommendation to the Board of Directors of the form and amount of the compensation of members of the Board of Directors and any additional compensation to be paid for service as Chairperson, for service on Board committees and for service as a chairperson of a committee. In making its recommendation, the Compensation and Nomination Committee gives due consideration to what is customary compensation for directors of comparable companies and any other factors it deems appropriate that are consistent with the policies and principles set forth in the Compensation and Nomination Charter. The member of the Board of Directors concerned shall abstain from voting.

The Compensation and Nomination Committee at least once a year (a) reviews and assesses the goals and objectives upon which the compensation of the CEO and the other members of the Manage-

ment Board is based and (b) evaluates the performance of the CEO and reviews based on the assessment of the CEO the performance of the other members of the Management Board in the light of these goals and objectives. After the performance evaluation of the CEO, the Compensation and Nomination Committee makes a recommendation to the Board of Directors of appropriate individual compensation levels or other terms of employment for the CEO. The Compensation and Nomination Committee considers all factors it deems relevant in its sole judgment including, without limitation, the Bank's performance, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in prior years.

With regard to the other members of the Management Board the Compensation and Nomination Committee at least annually reviews and makes a recommendation to the Board of Directors regarding appropriate compensation levels or other terms of employment as to (a) the annual base salary level, (b) the annual incentive opportunity level and the split into a cash component and a component paid out in RSUs, (c) any employment agreements and other arrangements or provisions, and (d) any special or supplemental benefits.

The Compensation and Nomination Committee holds meetings as often as required, but in any event at least once every quarter. Meetings are also attended by the Human Resources Director and the CEO. Other members of the Management Board and Board of Directors as well as other persons may be invited if deemed necessary. During 2014, the Compensation and Nomination Committee met six times.

For further information about the Compensation and Nomination Committee refer

to the section Corporate Governance starting on page 18.

The following table illustrates the role of the Compensation and Nomination

Committee in approving the amount of the compensation of the members of the Board of Directors as well as the Management Board (subject to any further approval by the General Meeting):

Compensation recipient	Recommended by	Approved by
Chairperson of the Board of Directors	Compensation and Nomination Committee	Board of Directors
Members of the Board of Directors (excluding Chairperson)	Compensation and Nomination Committee	Board of Directors
Chief Executive Officer (CEO)	Compensation and Nomination Committee	Board of Directors
Management Board (excluding CEO)	Compensation and Nomination Committee	Board of Directors

As part of such a review, the Compensation and Nomination Committee takes into account results of benchmarking analyses with comparable companies.

The salaries of the members of the Management Board have been reviewed in comparison with other financial services firms, both public and non-public companies. In 2013, an external consulting firm, Towers Watson, assisted the Bank in performing market benchmarking for determining the 2014 compensation of the members of the Management Board. The peer group included the following companies from the Swiss financial sector: AXA Winterthur, Bank Julius Bär Holding, Bank Vontobel, Banque Cantonale Vaudoise, UBS, Zurich Financial Services, Obwaldner Kantonalbank, SIX Group, Südleasing, Swisscanto, Swisscard AECS, Urner Kantonalbank, and Zürcher Kantonalbank.

Although benchmarking analysis includes the companies of different sizes only comparable positions are included in the analysis.

According to art. 11a of the Articles of Incorporation the approval of compensation is as follows: Each year the General Meeting approves separately the proposals of the

Board of Directors on the aggregate maximum amounts of:

- The compensation of the Board of Directors pursuant to Art. 25c for the term of office until the next ordinary General Meeting;
- The compensation of the Management Board pursuant to Art. 25d that can be awarded and paid, respectively, in the subsequent business year following the General Meeting.

The aggregate maximum compensation amounts approved by the General Meeting are deemed inclusive of social security and pension contributions.

In case the General Meeting does not approve the proposed compensation amounts, the Board of Directors can submit new proposals at the same General Meeting. If no new proposals are submitted or if the new proposals are not approved, the Board of Directors can either convene an extraordinary General Meeting and propose new aggregate compensation amounts or propose new aggregate compensation amounts for retrospective approval to the next ordinary General Meeting.

The shareholders already voted on the compensation of the Board of Directors as well as the Management Board of the Bank at the General Meeting on 13 May 2014. The Bank will submit the 2014 Compensation Report to a consultative vote at the General Meeting on 29 April 2015.

3 Compensation Elements and Total Compensation

3.1 Compensation of the Members of the Board of Directors

This section provides details of the compensation system for the members of the Board of Directors.

3.1.1 Elements

The Board of Directors was newly formed in connection with the IPO in October 2013. The members of the Board of Directors (with the exception of the members who were nominated by General Electric Group) receive a fixed compensation, which consists of a basic fee, including social security and insurance. The members of the Board of Directors do not receive any pension payments. A member of the Board of Directors that has been nominated by General Electric Group will not receive any compensation for his or her services. The fixed compensation underlines the focus on long-term corporate strategy, supervision and governance. The members of the Board of Directors do not receive variable compensation.

The Compensation and Nomination Committee at least annually reviews and makes a recommendation to the Board of Directors of the form and amount of the compensation for the members of the Board of Directors and any additional compensation to be paid for service as Chairperson, for service

on Board committees and for service as a Chairperson of a committee. The members of the Board of Directors, except the members nominated by General Electric Group, have been reimbursed for all reasonable cash expenses that were incurred by them in the discharge of their duties, including reasonable expenses for travelling to and from the meetings of the Board of Directors, meetings of the board committees and the General Meeting.

According to art. 25g of the Articles of Incorporation, the Bank may grant loans, credits, including car lease arrangements, and pension benefits not based on occupational pension schemes to members of the Board of Directors in an amount which shall in total not exceed 50% of the last aggregate maximum compensation amount approved by the General Meeting.

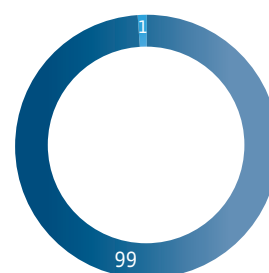
3.1.2 Total Compensation 2014

The following table discloses the compensation received by the members of the Board of Directors in 2014 and 2013, respectively. In 2014, members of the Board of Directors received a total compensation of TCHF 764 (previous year TCHF 353). This is an increase of approximately 116%. The overall higher compensation is due to the fact that the Board of Directors has been increased from four to six members and a pro-rata temporis accrual during 2013 based on the appointment date of the members of the Board of Directors in view of the IPO. Furthermore additional fees have been set to recognise the additional workload in connection with the listing of the Bank.

The presentation of the compensation 2013 figures has been restated to reflect the adoption of the accrual principle. Compensation is recognised in the financial year in which it is accrued.

Performance Year 2014
Compensation Structure

in %



Board of Directors

- Basic fee
- Other compensation

Total contractual compensation for the period General Meeting 2014 to General Meeting 2015 for the Board of Directors is TCH 773

and below the amount of TCHF 900 which was approved by the General Meeting of Shareholders on 13 May 2014.

For the year ended 31 December (CHF)		2014			2013		
Name	Function	Basic fee, incl. social security and insurance	Other compensation	Total	Basic fee, incl. social security and insurance	Other compensation	Total
Dr. Felix A. Weber	Chairperson ¹	320,249	5,000	325,249	159,843	5,000	164,843
Christopher M. Chambers	Vice-Chairperson	160,529	5,000	165,529	80,348	5,000	85,348
Denis Hall ³	Member ²	-	-	-	-	-	-
Richard Laxer ³	Member ²	-	-	-	-	-	-
Prof. Dr. Peter Athanas	Member ⁴	187,014	-	187,014	n/a	n/a	n/a
Urs D. Baumann	Member ⁵	85,808	-	85,808	n/a	n/a	n/a
Peter K�pfer	Chairperson ⁶	n/a	n/a	n/a	103,142	-	103,142
Brendan Gilligan ³	Vice-Chairperson ⁷	n/a	n/a	n/a	-	-	-
Total compensation of the members of the Board of Directors		753,600	10,000	763,600	343,333	10,000	353,333

¹ From 22 August 2013

² From 24 September 2013

³ Nominated by General Electric Group

⁴ From 1 January 2014

⁵ From 13 May 2014; payment made directly to his employer

⁶ Until 22 August 2013

⁷ Until 24 September 2013

Other compensation, fees and loans to members or former members of the Board of Directors

Two members of the Board of Directors (Chairperson and Vice-Chairperson) receive an expense allowance. Apart from this allowance no other compensation or fees were accrued for or paid to any member or former member of the Board of Directors during the reporting period. No member or former member of the Board of Directors had any loan outstanding as of 31 December 2014.

Compensation of members of the Board who left the Bank during the reporting period

No such compensation was incurred during the reporting period.

Clauses on changes of control

The contracts of the members of the Board of Directors (including the Chairperson of the Board of Directors) do not make provision for any agreements in the case of a change of corporate control (change of control clauses).

Compensation or loans to related parties

No compensation or loans have been paid or granted, respectively, to persons related to current or former members of the Board of Directors, which are not at arm's length.

For further information refer to section Corporate Governance starting on page 18.

3.2 Compensation of the Members of the Management Board

3.2.1 Elements

The compensation payable to the Management Board is reviewed annually and consists of:

- A fixed compensation stipulated under the relevant employment contract in accordance with the position, market practice, skills and performance of the person; and
- An annual variable incentive compensation, consisting of a component paid in cash and a component granted in RSUs. RSUs will be settled in shares of the Bank.

According to art. 25g of the Articles of Incorporation, the Bank may grant loans, credits, including car lease arrangements, and pension benefits not based on occupational pension schemes to members of the Management Board in an amount which shall in total not exceed 50 % of the last aggregate maximum compensation amount approved by the General Meeting.

The payment of bridge or interim annuities by the Bank to members of the Management Board is possible between early retirement and the statutory retirement age.

Overview compensation of the Management Board:

Component	Paid in	Purpose	Performance measures
Fixed compensation	Cash	Attract and retain	
Variable incentive compensation (annually defined)	<ul style="list-style-type: none"> • Cash • Restricted Stock Units 	<ul style="list-style-type: none"> • Pay for performance • Reward for the achievement of annual targets and individual performance • Alignment with interests of shareholders 	<p>Financial targets:</p> <ul style="list-style-type: none"> • Earnings per share • Asset growth • ROE • Tier 1 capital ratio • Dividend payout <p>Qualitative targets:</p> <ul style="list-style-type: none"> • Business transition • Compliance • Funding • Digitisation

3.2.2 Variable Compensation System

Art. 25h of the Articles of Incorporation contains the principles of the Executive Variable Compensation Plan (“EVCP”) regarding the variable compensation in the form of cash and RSUs for the members of the Management Board as described in more detail below.

The Bank maintains internal guidelines on the Bank’s variable compensation. The EVCP is applicable to the Management Board.

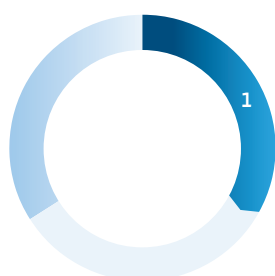
Based on the EVCP, the actual individual annual variable compensation for the Management Board is capped as follows:

- For the CEO, 120 % of his annual base salary;
- For the other members of the Management Board, 75 % of their respective annual base salary.

The actual awards paid out are driven by both business and individual performance. The determination process of the execu-

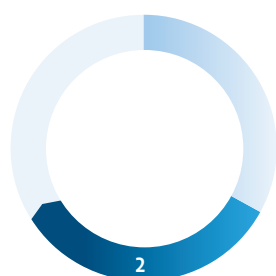
tive variable compensation is based on three steps:

Determination Process of Variable Compensation



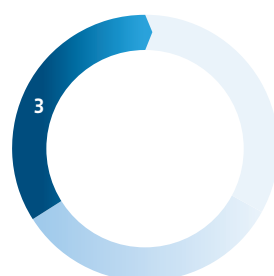
1 Target Pool

- The Target Pool is based on the participant's annual base salary.
- The annual base salary is multiplied by a Target Percentage. The latter is fixed in the employment contract.
- The sum of each Target Funding generates the Target Pool.



2 Approved Pool

- The Approved Pool needs to be approved by the Compensation and Nomination Committee and justified by reaching short-term, medium-term and qualitative targets (see table below).
- The adjustments based on the achievement of these targets can increase or lower the total bonus pool.



3 Individual Variable Compensation

- The Individual Variable Compensation for each participant is based on an assessment of each participant's overall performance (achievement of the goals and objectives and demonstration of the Bank's values).
- Based on this assessment an adjustment (Individual Contribution Factor) is made.

Determination of the Target Pool

Under the EVCP, the participants are assigned a Target Percentage of their annual base salary pursuant to their employment contract ("Target Percentage") for funding purposes. The individual Target Percentage is as follows:

- For the CEO, 80% of his annual base salary;
- For the other members of the Management Board, 50% of their respective annual base salary.

The sum of all participants' Target Percentages multiplied by each participant's annual base salary pursuant to their employment contract with the Bank provides the target pool ("Target Pool"), which serves as a basis from which the actual pool

funding is established. The Target Pool is only a pool funding mechanism and does not guarantee an actual variable incentive compensation payout.

Determination of the Approved Pool

The Board of Directors, based on the recommendation of the Compensation and Nomination Committee, is responsible for determining the pool funding and as such, the actual approved pool on an annual basis.

The approved pool funding is based on a quantitative and qualitative assessment taking into account the short-term, medium-term and qualitative targets (see table below):

Process of Determining the Individual Variable Compensation of the Members of the Management Board.

Step 1: Determination of Target Funding

Annual Base Salary	X	Target Percentage Pursuant to the employment contract	= Target Funding
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Step 2: Determination of Individual Variable Compensation

Target Funding	X	Individual Contribution Factor Pursuant to participant's overall performance	= Actual Variable Compensation
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Targets	Criteria	Targets 2014	Achievement 2014
Short-term target (weight 25%)	Earnings per share (EPS)	CHF 4.40 – CHF 4.60	CHF 4.67
Medium-term targets (weight 50%)	Asset growth ¹	In line with Swiss GDP	2.0%
	Profitability (ROE)	15%	17.0%
	Tier 1 capital ratio	18%	20.7%
	Dividend payout ²	60% – 70%	66%
Qualitative targets (weight 25%)		Business transition	
		Compliance	
		Funding	
		Digitisation	

¹ Net financing receivables
² As a percentage of net income

Based on the criteria above, the Board of Directors can make adjustments, either positive (> sum of all participants' target percentage) or negative (< sum of all participants' target percentage) to the Target Pool to determine and approve the final actual pool funding ("Approved Pool").

Determination of the Individual Variable Compensation

The Individual Variable Compensation for each participant is determined within (a) the funding limits of the Approved Pool as well as (b) the applicable cap of Individual Variable Compensation and is based on an assessment of each participant's overall performance.

The participant's overall performance is assessed based on (a) the participant's achievement of the goals and objectives set forth by the Board of Directors for the CEO and by the CEO for the other participants, and (b) the demonstration of Bank values and other relevant factors.

Behaviors, the Bank attaches great importance to, are responsibility and understanding the demands of the customers as well as to satisfying their needs. Also teamwork and respect for other people are important behaviors the Bank values.

Based on the assessment of the participant's overall performance, the Bank applies an individual adjustment ("Individual Contribution Factor") to determine the Individual Variable Compensation.

Participants' actual variable compensation may vary from their target variable compensation and participants are not guaranteed to receive any variable compensation.

The overall performance for the Management Board members is assessed by the CEO and for the CEO by the Compensation and Nomination Committee.

On an annual basis the Compensation and Nomination Committee determines the ratio between the component paid out in cash and component granted in the form of RSUs.

The Committee decided to split the variable incentive compensation for both 2014 and 2013 as follows: 70% in cash and 30% in RSUs.

RSU grants are divided into three equal tranches to vest. The 2014 grant will vest in the three years following the grant date.

As of the performance year 2015 the vesting period is extended. One third of the RSUs granted at any given grant date shall vest on the second anniversary of that grant date, one third of the RSUs shall vest on the third anniversary of that grant date and the final third shall vest on the fourth anniversary of that grant date.

3.2.3 Total Compensation 2014

The presentation of the compensation 2013 figures has been restated to reflect the adoption of the accrual principle. Compensation is recognised in the financial year in which it is accrued. The total compensation for 2013 includes the variable compensation for the performance year 2013 paid out in the first quarter 2014. The total compensation for 2014 includes the variable compensation for the performance year 2014 to be paid out in the first quarter 2015.

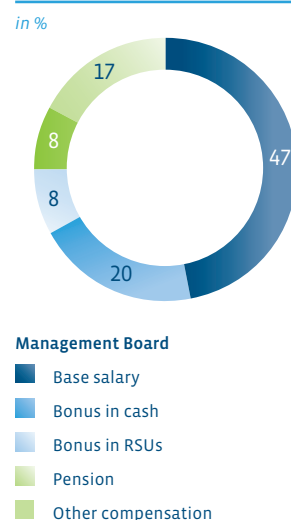
The total compensation of the Management Board for the performance year 2014 amounted to TCHF 4,352 (previous year TCHF 4,749).

Payout of the Individual Variable Compensation for the performance year 2014 will be in the first quarter of 2015 (March).

For the performance year 2014, the portion of the total compensation that is variable amounts to 29% (compared to 30% for 2013).

Total variable compensation for the performance year 2014 of TCHF 1,244 was approved by the Compensation and Nomination Committee on 23 February 2015 and is below the amount of TCHF 2,100 which was approved by the General Meeting of Shareholders on 13 May 2014.

Performance Year 2014
Compensation Structure



For the performance year ended 31 December (CHF)						
	2014			2013		
	CEO	Management Board	Total Compensation	CEO	Management Board	Total Compensation
Base salary ¹	595,329	1,424,254	2,019,583	647,477	1,475,523	2,123,000
Pension plan	157,572	177,683	335,254	175,249	194,240	369,489
Other compensation ²	343,562	409,083	752,644	73,172	741,937	815,109
Total fixed compensation	1,096,463	2,011,019	3,107,482	895,898	2,411,700	3,307,598
EVCP paid in cash ³	413,793	471,307	885,100	493,834	587,426	1,081,260
EVCP granted in RSUs	167,881	191,273	359,154	165,837	194,801	360,638
- Amount of RSUs granted ⁴	2,964	3,377	6,341	2,817	3,309	6,126
- Value at grant date ⁵	56.64	56.64	56.64	58.87	58.87	58.87
Total variable compensation for the performance year	581,674	662,580	1,244,254	659,671	782,227	1,441,898
Total compensation for the performance year	1,678,137	2,673,600	4,351,736	1,555,569	3,193,927	4,749,496
Number of persons receiving compensation			6			6

¹ Includes social security and insurance. Change in CEO base salary from 2013 to 2014 reflects change from an expatriate contract to a local contract.

² Includes certain benefits such as retention payments, expense allowance for housing and school fees

³ Ratio of the cash component related to the overall EVCP amounts to 70% and has been determined by the Compensation and Nomination Committee

⁴ RSUs granted in 2015 and 2014 for the performance years 2014 and 2013

⁵ Value at grant date represents an average share price for the month of February

Highest total compensation

Robert Oudmayer, Chief Executive Officer, received the highest total compensation in 2014. For compensation details, please refer to the table above.

Other compensation, fees and loans to members or former members of the Management Board

Other compensation of TCHF 753 such as retention payments, expense allowance, housing and school fees were accrued for or paid to the members of the Management Board. No other compensation than the amounts reported in the table above or fees were accrued for or paid to a former member of the Management Board during the reporting period. Other than the leasing contract of the CFO no other member or former member of the Management Board had any loan outstanding as of 31 December 2014.

Compensation of Management Board members who left the Bank during the reporting period

No such compensation was accrued for or paid during the reporting period.

Employment contract termination clauses / notice periods and severance agreements of Management Board members

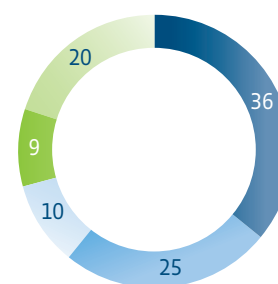
Employment contracts of members of the Management Board are subject to a notice period of a maximum of six months. The contracts concluded with the members of the Management Board do not contain any clauses relating to severance payments.

Clauses on changes of control

The contracts of the Management Board do not make provision for any agreements in the case of a change of corporate control (change of control clauses). For further information refer to section Corporate Governance starting on page 18.

Performance Year 2014 Compensation Structure

in %



Chief Executive Officer

- Base salary
- Bonus in cash
- Bonus in RSUs
- Pension
- Other compensation

Compensation or loans to related parties

No compensation or loans have been paid or granted, respectively, to persons related to current or former members of the Management Board which are not at arm's length.

4 Ownership of Securities

As required by Article 663c of the Code of Obligations, the Bank has to disclose the share and option holdings of the members of the Board of Directors and the members of the Management Board.

Share and Option Holdings of the Board of Directors

At 31 December		2014		2013	
Name	Function	Number of shares	Number of RSUs	Number of shares	Number of RSUs
Dr. Felix A. Weber	Chairperson	2,000	-	2,000	-
Christopher M. Chambers	Vice-Chairperson	5,000	-	5,000	-
Denis Hall	Member	-	-	-	-
Richard Laxer	Member	-	-	-	-
Prof. Dr. Peter Athanas ¹	Member	-	-	n/a	n/a
Urs D. Baumann ²	Member	2,000	-	n/a	n/a

¹ From 1 January 2014

² From 13 May 2014

Share and Option Holdings of the Management Board

At 31 December		2014		2013	
Name	Function	Number of shares	Number of RSUs	Number of shares	Number of RSUs
Robert Oudmayer	CEO	-	5,758	-	2,941
Antoine Boubilil	CFO	-	2,889	-	1,961
Volker Gloe	CRO	-	2,732	-	1,961
Dr. Emanuel Hofacker ¹	General Counsel	-	911	n/a	n/a
Daniel Frei	Sales Leader Cards	-	2,842	-	1,961
Dr. Alain Röthlisberger ²	General Counsel	n/a	n/a	-	1,961

¹ From 10 September 2014

² Until 9 September 2014

Amounts due to / from Members of Governing Bodies

At 31 December (CHF in thousands)	2014	2013
Amounts due from members of governing bodies	3	6
Amounts due to members of governing bodies	331	266

Amounts due from members of governing bodies are in connection with a leasing contract of the CFO.

Amounts due to members of governing bodies relate to personal savings accounts.

5 Outlook and future key aspects

Taking into account the latest market practices and views from shareholders and proxy-advisors the Bank's compensation system for executives will be reviewed continuously to ensure it is aligned with the Bank's long-term goals and supports the Bank in attracting, motivating and retaining talented executives.

In a first step, the Bank has asked Hay Group to conduct a benchmark study for the Board of Directors (four members; excluding two members nominated by General Electric) and the five members of the Management Board to provide insight into market practice with regard to the executive compensation of the Bank's peers.

The following companies were selected as a peer group for the benchmark purpose of the Board of Directors: Allreal Holding AG, Baloise Holding AG, Bank Coop AG, Bank Linth LLB AG, Edmond de Rothschild Suisse, EFG International AG, GAM Holding AG, Helvetia Holding AG, Hypothekbank Lenzburg AG, Intershop Holding AG, Leonteq AG, Mobimo Holding AG, PSP Swiss Property AG, Schweizerische National-Versicherungsgesellschaft AG, Swiss Prime Site AG, Swissquote Group Holding SA, Valiant Holding AG, Vaudoise Assurances Holding SA, Vontobel Holding AG, VZ Holding AG, and WIR Bank Genossenschaft.

For the Management Board the publicly available data based on the peer group selected for the Board of Directors will be combined with data of the following companies: Bombardier Transportation Financial Services S.à.r.l., Credit Suisse, COFRA Holding AG, Helvetia Versicherungen, LeasePlan Schweiz AG, Lloyds TSB Bank plc., Partners Group Holding AG, PSA Finance Suisse SA, Swiss Life, Swiss Re, UBS, and Zurich Financial Services.

The results will be used to continue to refine and evolve the Bank's compensation system taking into account the feedback from shareholders and proxy-advisors.

In addition, the Management Board agreed on financial, personal and qualitative goals for 2015 that are clearly defined and quantified in terms of relative weightings.

Report of the Statutory Auditor on the Compensation Report to the General Meeting of Cembra Money Bank AG, Zurich

We have audited the compensation report dated 24 March 2015 of Cembra Money Bank AG for the year ended 31 December 2014. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the sections 3.1.2, 3.2.3 and 4 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the compensation report for the year ended 31 December 2014 of Cembra Money Bank AG complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Cataldo Castagna
Licensed Audit Expert
Auditor in Charge

Daniel Merz
Licensed Audit Expert

Zurich, 24 March 2015

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